

OIL MONEY COMING TO KENTUCKY



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Kentucky Oil Shows Great Gasolene Content Government To Take Over Coal Mines

Government Oil Statistics Kentucky Oil High In Gasolene

(By Gustav Egloff, Independence, Kan.)

The Bureau of Mines has just given out for publication a set of highly important statistics as to the gallonage of the various products, as gasoline, kerosene, fuel and lubricating oils, etc., resulting from the distillation of crude oil, marketed in 1916 and the first six months of 1917.

The writer has thought it worth while to calculate the statistics as percentages and to correlate the same with other available data upon the cracking of petroleum and to derive percentages of straight-run and cracked gasoline therefrom.

On the basis of crude petroleum refined, 2.44 per cent. of gasoline was made by cracking and 12.2 per cent., or practically one-eighth of the entire gasoline sold during 1916 and 1917, was made by cracking processes.

Table 1 tabulates the gallonage of gasoline, kerosene, gas, fuel and lubricating oil and the production of wax, coke, asphalt, and loss occurring during distillation. The data indicates an increase of 16.4 per cent. of crude oil refined in the year 1917 over that of 1916, on the assumption that the second half of 1917 will show the same amount of crude oil refined.

Table No. 1.

PRODUCTION OF PRODUCTS FROM CRUDE PETROLEUM.

	Full Year 1916.	First 6 Mos. 1917
Crude petroleum distilled, barrels.....	246,076,266	143,189,374
Gasoline, barrels.....	2,058,322,838	1,223,379,899
Kerosene, gallons.....	1,455,495,732	784,411,291
Gas and fuel oil.....	4,290,423,757	2,697,870,034
Lubricating oil.....	624,541,195	350,358,041
Wax, pounds.....	386,180,808	203,975,713
Coke, tons.....	405,319	229,723
Asphaltum, tons.....	715,776	319,043
Miscellaneous, gallons.....	200,596,682	129,517,218
Loss, barrels.....	10,008,517	5,208,283

In Table 2 the percentage yields of distillation products for the seven sections of the United States are compared for the year 1916 and the first six months of 1917. It is interesting to compare, for example, the actual percentage yields of gasoline of the various sections of the country. There are some errors in the original data due to the incorrectness of the returns to the Bureau of Mines, but nevertheless they are good approximations. In all the fields, with the exception of the Mid-Continent (Oklahoma and Kansas), the percentage yield of gasoline increased in 1917. The average for the whole country showed a 0.4 per cent. increase in gasoline on the basis of crude petroleum distilled. This increase cannot be ascribed to increased yield due to cracking of petroleum distillates, but in all likelihood is due mainly to cutting deeper into the kerosene cut in distillation of the crude oil. For it is well known that the percentages of gasoline is decreasing in the crude based upon old standards of end-point distillation. It is also well known that the end point of distillation of gasoline two years or more ago was around 300 degrees F., whereas the end point at the present time runs around 400 degrees F., with a strong tendency to go to 500 degrees F. in some parts of the country. The increase of the end point of gasoline allows of the use of more naphtha and kerosene as motor fuel for internal combustion engines, but there is a limit to the use of higher boiling point cuts from crude oil with the present design of motors in automobiles, unless some radical changes are made in the design so that the higher boiling point distillates may be available as motor fuel.

Table No. 2.

PERCENTAGE OF PRODUCTS FROM CRUDE PETROLEUM IN SEVEN SECTIONS OF THE UNITED STATES.

	Full year 1916 and first six months 1917.		Total barrels crude petroleum refined for year 1916, 246,076,266.		Total barrels crude petroleum refined for first six months 1917, 143,189,374.	
	W. Ohio, Ill., Ky., Tenn.	Oklahoma, Kansas.*	Colorado, Wyoming.*	W. Va., N. Y., Pa., E. Ohio.	1916.	1917.
Gasoline.....	34.0	63.0	32.5	27.0	32.0	37.0
Kerosene.....	14.6	14.0	19.4	14.5	16.4	17.0
Gas and fuel oil.....	26.0	25.0	54.0	49.0	53.0	52.0
Lubricating oil.....	8.8	8.9	1.2	1.5	0.7	0.5
Wax.....	1.0	6.3	...	0.5	...	0.7
Coke.....	3.0	1.1	...	0.5	...	...
Asphalt.....	0.7	3.1	...	3.5	...	...
Miscellaneous oil.....	6.0	0.8	0.9	0.7	0.1	...
Loss.....	5.4	4.8	4.3	2.8	4.0	9.0
	East Coast.	Texas, Louis.	California.	Avg. for U.S.	1916.	1917.
Gasoline.....	20.7	22.0	11.0	12.0	11.0	19.9
Kerosene.....	22.4	22.0	9.0	11.0	4.8	4.0
Gas and fuel oil.....	30.0	29.0	25.0	45.0	67.0	62.0
Lubricating oil.....	12.6	11.0	23.6	2.7	1.5	3.0
Wax.....	1.0	2.0	0.7	1.0	...	2.6
Coke.....	2.4	1.2	2.2	1.7	...	1.9
Asphalt.....	2.4	3.0	22.7	3.3	12.0	...
Miscellaneous oil.....	2.0	2.8	0.6	20.6	2.0	...
Loss.....	6.3	7.0	2.0	2.7	1.6	4.0

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C. R. DULIN.

A pioneer in the Irvine field. He drilled the first well on the Maple lease, which was located on Friday, September 13, 1913. The Maple lease was a 4,000-acre tract. No. 1 well made 3 to 4 barrels; No. 2 well made 2 barrels; No. 3 well made 5 barrels, and No. 4 well made 25 barrels. Kentucky oil was then selling for 62 cents. Mr. Dulin made several trips over the country trying to interest capital without success. Today he does not have to seek capital as he has a good bank balance and capital is seeking him.

Stock Market Review

(By W. L. Lyons, Jr.)

Financial circles were somewhat surprised to find that the Board of Governors on the New York Stock Exchange had decided to remain open on Monday, December 24th, and this being the case the world's largest market was thrown open to the public and trading was resumed in the usual manner. With the markets in such a demoralized condition, many rumors had been spread broadcast that important news was being withheld in the form of peace proposals, etc., to be given out Christmas Day and the opening of this week's market started off exceedingly buoyant.

Prices ruled higher along the entire list and the standard stocks were all absorbed in the early hours of trading; this movement alarmed the outstanding short interests which was reported to be quite a large one and prices were steadily marked up at their expense and the session closed with the highest quotation recorded since the severe decline last Thursday when many standard issues reached their recent low water mark. The strong close of Monday's session carried with it a general belief that the recent bear market had at least temporarily come to a close and many leading houses in their daily market letters commented on the strong character and undertone the market displayed.

After the holiday the leading bulls of Monday who had purchased stock on the belief that the new German peace offer would be disclosed Christmas, were the conspicuous sellers Wednesday owing to the fact that the same did not materialize and securities were disposed of in rather free fashion. The greater uncertainty of the Italian situation was commented on at length, and the delay at Washington in disclosing plans of the government in respect to the rail problem also served to unsettle public sentiment and then on Thursday the Chief Executive made the announcement of governmental control of railroads. This announcement met with great approval and issues like B. & O., St. Paul, New York Central, Great Northern, Union Pacific and other leaders in the railroad department made remarkable gains ranging from five to fifteen dollars per share. This movement of course eliminated a great part of the short interests and they were forced to retire with the taste of the bitter pill, thusly making the market in a stronger technical position. The character of the buying displayed was in some events remarkable and such advances as the general list had, have been few in the history of the Stock Exchange.

Taking everything into consideration this announcement made by our President, of which W. G. McAdoo is to be the chief dictator, has been regarded in investment circles as extremely beneficial to the carriers. It was no more than natural that this advance occurred on the strength of this good news as the market had been more or less discounted from the ridiculously low prices recorded of last week. Trading during the latter part of the week was rather meagre and the market continued an exceedingly thin affair. It was however, quite noticeable at times how small dealings made such impressions on prices and with the best of news out we are still of the opinion that prices of securities and business conditions will continue in an uplifting manner.

Government After Coal Not Question When How Soon?

WASHINGTON.—America's coal mines must be placed under Government control or the nation will suffer coal shortage for the period of the war. Dr. Harry A. Garfield, Fuel Administrator, made this the high, continually emphasized point in his testimony before the Senate sub-committee investigating the coal shortage.

"It is not a question of when, but how soon," Dr. Garfield said, in reference to Government action is controlling the coal mines of America. He explained that he did not believe Government control should come abruptly, but should be a gradual process.

Blame for the coal shortage which exists today was laid directly at the door of the war by Dr. Garfield. He declared that the shortage has been caused by a greatly increased consumption, due to war work, and asserted that the increased production has failed to meet the demands. The United States lacks 50,000,000 tons of coal, despite the fact that the production for 1917 will exceed the production for 1916 by 50,000,000 tons.

Roads "Must Act as Unit."

Railroad congestion has aggravated this situation greatly, according to Dr. Garfield. He made it clear that he did not desire to shift any of the blame for the coal shortage to the railroads, but asserted that transportation difficulties have decreased production this year by 20,166,442 tons. In the opinion of Dr. Garfield, the condition of the American railroads today is the result of Government policy. He asserted that in a time such as the present it is necessary for the railroads to act as a unit. Under existing conditions they cannot do this, "either physically or legally," he said. The policy of the American Government has been to preserve competition to such a degree that it now is impossible for railroads to operate and co-operate, Dr. Garfield declared.

During his administration Dr. Garfield said he had made 40 revisions in prices and they had all been upward. He justified these revisions by declaring he believed it the only possible way to stimulate production with absolute control.

"Three times as many mines have been brought into existence by the increased prices as formerly existed," he said. "My policy has been one of production, rather than prices," he admitted, saying it was possible that coal operators were making huge profits.

"It seems to me that these men have always gained their prices before they responded to the patriotic appeal to produce coal," Senator Vardaman, who was conducting the committee's investigation, said.

"The result would make it appear that way," the witness replied. "They have no more patriotism than heathen monsters," was the answer of the Mississippi Senator.

Worst Period is to Come.

Dr. Garfield held out little hope for the future unless the railroad situation is cleared up. "We have the worst period to go through," he said, "and I fully realize the possibility of even worse times than we have gone through." He declared he was taking drastic steps to meet the situation.

Conservation can make up the deficit if exercised properly, he told the committee, and said he already practically has closed an agreement with manufacturers of nonessential articles to curtail their industries.

He told the Senators it would be necessary in a short time to give the Federal Fuel Administrator power to control petroleum, gasoline, fuel oil and pipe lines. Labor does not constitute a serious trouble at the present time, the witness said.

Calls Coal Seizures "Lawless."

Governor Cox's seizure of coal in Ohio was described to the committee by Dr. Garfield as a "lawless procedure." He preceded this statement with intimation that an attack of "nerves" resulted in the drastic action of the Governor. Dr. Garfield's statements, made during the course of examination, represent his reply to the pointed criticism of the Fuel Administrator in which Governor Cox indulged in a recent telegram to the committee, declining to appear as a witness.

Dr. Garfield undertook to outline to the committee the substantial difficulties encountered in the administration of fuel.

"It has been necessary to seize coal," he said. "I do not mean by that it has been necessary for Governors and Mayors to seize coal."

"You refer to Governor Cox, of Ohio," Senator Kenyon inquired. "Were conditions worse in Ohio than elsewhere?"

"Yes, they were psychologically worse," Dr. Garfield replied, "and I presume actually worse. Very properly, in my opinion coal was sent through Ohio to the Northwest under priority orders so that the up-lake states might be supplied before the close of navigation. It gets on one's nerves, I realize, to see coal going through by the trainload to people up the lakes when one's own bins are empty. I have not the honor of knowing Governor Cox, but the Governor, nervously constituted, would naturally share in the storm."

(Continued on Page Eight, Column Two)

FOR INVESTORS

It is always darkest before dawn. I have seen many dark days in Wall Street, during my long experience. Some of my readers perhaps can go back about forty years ago and remember the terrible depression that prevailed, especially among the railroad stocks. It was a period of bankruptcies and reorganizations. Everything seemed to be going to smash.

The prices of standard securities at that time, compared with prices at this time, would give one a shock. It was in this period that I bought Lake Shore around 50 and afterwards had the pleasure of seeing it rise to over \$200. No one seemed to think that there ever could be a better day for the stock market. The Grangers were fighting the railroads, the demagogues were just learning the tricks of firing bricks at them, the muckrakers were making targets of Gould and Vanderbilt and business was suffering from a general depression.

But the buyers of securities at low prices, at that time, who bought in the belief that this country was sound at the core, and who held their securities through evil and good report, reaped a substantial reward. Must we come upon such evil times as Russia has experienced, and as France had over a hundred years ago, during the revolutionary epoch? I sincerely hope not and I believe not. But even with the worst, we know that in a country like ours the good must ultimately prevail and sober common sense assert itself.

Evidence of this is found in the unexpected change in the attitude of the Interstate Commerce Commission and in its report that either the railroads must be given sufficient earnings to maintain their existence, or else the Government must take them over.

In this day, with millions of investors, life insurance policyholders and savings banks depositors, all interested in the prosperity of the railroads, the latter are finding defenders in greater numbers than ever before, and I sincerely believe that they will emerge from the darkness into the dawn in due season. Of course, the war with its appalling cost must be a handicap to all new enterprises and a burden to all the old ones because of the higher rates for money that must inevitably follow. The railroads must borrow millions, perhaps billions, to put themselves in the best condition to meet the needs of a great and growing country. The Government must see that these means are provided, because they are now in the nature of "the sinews of war."

K., Phenix, R. L.: Rock Island B would be an attractive long-pull speculation if the railroads were given the relief they ask.

W., Pittsburgh, Penn.: I never advised the purchase of David Music Pub Co. stock. I consistently oppose all cheap-stock speculative ventures.

L., Brooklyn, N. Y.: The stock of the American International Corporation is a reasonable risk, as it pays dividends and has a good speculative chance.

T., Norfolk, Va.: Reasons for the considerable decline in Penn. R. R. and Balt. & Ohio stocks are found in the unfavorable reports of those companies for the first ten months of this year.

G., Groton, N. Y.: If you dispose of your People's Gas stock, it would be safer to put the money into pfd. stock of leading industrial or railroad companies or into good real estate or farm mortgage bonds.

H., Miami, Ariz.: I do not advise purchase of Ray Hercules. It sells much below par and is a cheap Curb speculation. The boom in copper stocks has died out. There was much inside selling while it lasted.

K., Chicago, Ill.: Many picture companies that have been selling their shares have disappointed their shareholders. I do not advise purchase of the stock of the Birth of a Race Photograph Play Corporation.

L., Montpelier, Vt.: Pullman, like all the high-grade securities, has shared in the recent liquidation. It suffers also from the war regulation of railroad traffic. It does not look dear at present, for conditions are at the worst.

N., New York: The Favary tire seems to have merit, but the Favary Tire & Cushion Company has plenty of competitors, and until it is able to pay dividends the stock will be only a speculation. It is safer to purchase shares of a dividend paying company.

G., Rochester, Wis.: The Securities Trust Company's proposition may eventually work out satisfactorily. It depends on the ability and integrity of the management. But the company has not as yet been tested and the stock must be regarded as speculative.

D., Atlanta, Ga.: The 5 per cent. gold bonds of the city of Mobile, Ala., are attractive. They are a direct obligation of the city and exempt from all Federal income taxes. Offered lately at 100.

H., Westfield, N. Y.: I do not consider the stock of the Doble-Detroit Steam Motors Company a "good speculation at \$12." The company produces an excellent machine, but has not reached a dividend-paying stage.

K., Falls City, Neb.: According to its statement of earnings, So. Pac. seems a better purchase than No. Pac., or Gt. Northern pfd. Standard Oil stocks are more attractive now than railroad stocks. At such a time the safest plan would be to retain your good real estate bonds.

L., Atlantic City, N. J.: There does not appear to be any chance of recovering the money you paid for Kent Motor shares. Several officials of the corporation have been sentenced to the penitentiary, or fined, on conviction of floating fraudulent stock, and there may be no assets.

D., Toledo, Ohio: I regret that you disregarded my advice not to buy Ford Tractor stock. The prospects of recovering your money are poor. The promoters of the company have been indicted on criminal charges in connection with sale of stock and a receiver has been appointed for the company.

J., Montpelier, Vt.: Continental Oil Company is one of the prosperous concerns in the S. O. group. It has paid 12 per cent. on par (\$100) for the past four years. The stock is selling at about \$450. The return on market price is low, but there are expectation of higher yield. The stockholders recently authorized an increase of capital stock from \$3,000,000 to \$12,000,000.

H. R., Champaign, Ill.: The net earnings of the Arizona Gas & Electric Company for the year ending June 30th, 1917, were 3 1-3 times the interest on its outstanding first mortgage 6 per cent. bonds. The present price gives a yield of over 6 per cent. The bonds can be had in denominations of \$100, \$500 and \$1000. The company pays the normal Federal income tax.

M., Olyphant, Penn.: The trouble with the flotation of all new enterprises is that it costs money to bring them out. If you buy the stock of the new company and it proves successful, which in this highly competitive day is most unlikely, you may possibly get a profit. If the company fails, you must stand the losses. The profits will be shared by the promoters, but not the losses.

A., Milton, Penn.: You can, with your \$600, with reasonable safety, buy one share each of the following well-regarded industrial stocks: Corn Products pfd; Bethlehem Steel 8 per cent. pfd; American Woolen pfd; U. S. Rubber 1st pfd; National Lead pfd; and Republic Iron & Steel pfd. Maxim munitions has been boomed in vain by interested parties. It is an unattractive speculation.

Y., Rochester, N. Y.: St. Paul has paid 7 per cent. on pfd. since 1890, but the stock is non-cumulative. It has a right to 7 per cent. before anything is paid on common, but if 7 per cent. is not declared, there will be no arrears. Should the road ever earn enough to pay 7 per cent. on each class of stock, the pfd. would participate equally in any additional distribution. The dividend on St. Paul common was reduced from 5 to 4 per cent., owing to decreased earnings and the present rate may not be safe.

C., Syracuse, N. Y.: N. Y. C. deb. 6's are not a first lien, but a direct obligation of the company. They are convertible into stock and redeemable at 110 after May 1, 1918. At present price they are a good business man's investment. There is no Gt. Northern common, none of that class of stock ever having been issued. The pfd., therefore, is virtually common. It has paid 7 per cent. for many years. Lehigh Valley common pays 10 per cent. on par (\$50) and sells higher than Gt. Northern. Its comparatively low price is due to decline in earnings and rumors of possible reduction of dividend.

T., Louisville, Ky.: Recollecting the trying times through which the railroads passed 40 years ago and the low prices at which their stocks sold, I cannot help believing that there must be a recovery and profit for patient holders of standard dividend-payers. New York Central at present figure is a business man's investment. Kansas City So. pfd. is well regarded. As Minn. & St. Louis R. R. pays no dividends, its own bonds and the Iowa Central bonds which it assumed are less desirable than issues of dividend-paying roads. All bonds have suffered severe declines, owing to immense issues of Government bonds.

KENTUCKY NEWS

In Casey county, the Stanton Oil Company is held up with a fishing job at 785 feet at their first on the D. O. Burke farm. The same company is drilling on the Ida Turner farm, northeast of Greensburg, in Green county.

M. J. Miller, of Tulsa, Okla., has been looking over Eastern Kentucky oil prospects around West Liberty and other parts of Morgan county.

The LaSalle Oil Company, reported a subsidiary of the Sinclair company, is drilling a test on the Mrs. N. C. Potter farm, on Gray Fork, in Clay county. The work is under the supervision of E. S. Lindmark, of Manchester.

Leasers are now invading Livingston county and structures are reported to have been located on farms of M. B. Cooley and Carson Nelson, located north of the Cumberland river and in the vicinity of Smithland.

The Dundee Petroleum Company is reported drilling a well near the town of Upton, in Hardin county, where a block of leases has been secured, and the natives are very enthusiastic over the prospects of oil or gas.

For the quarter ending October 1, the State Tax Commission has collected \$17,340.70, which is 1 per cent. of the market value of all crude oil produced in the State of Kentucky during July, August and September. Out of this amount Estill county produced approximately one-half.

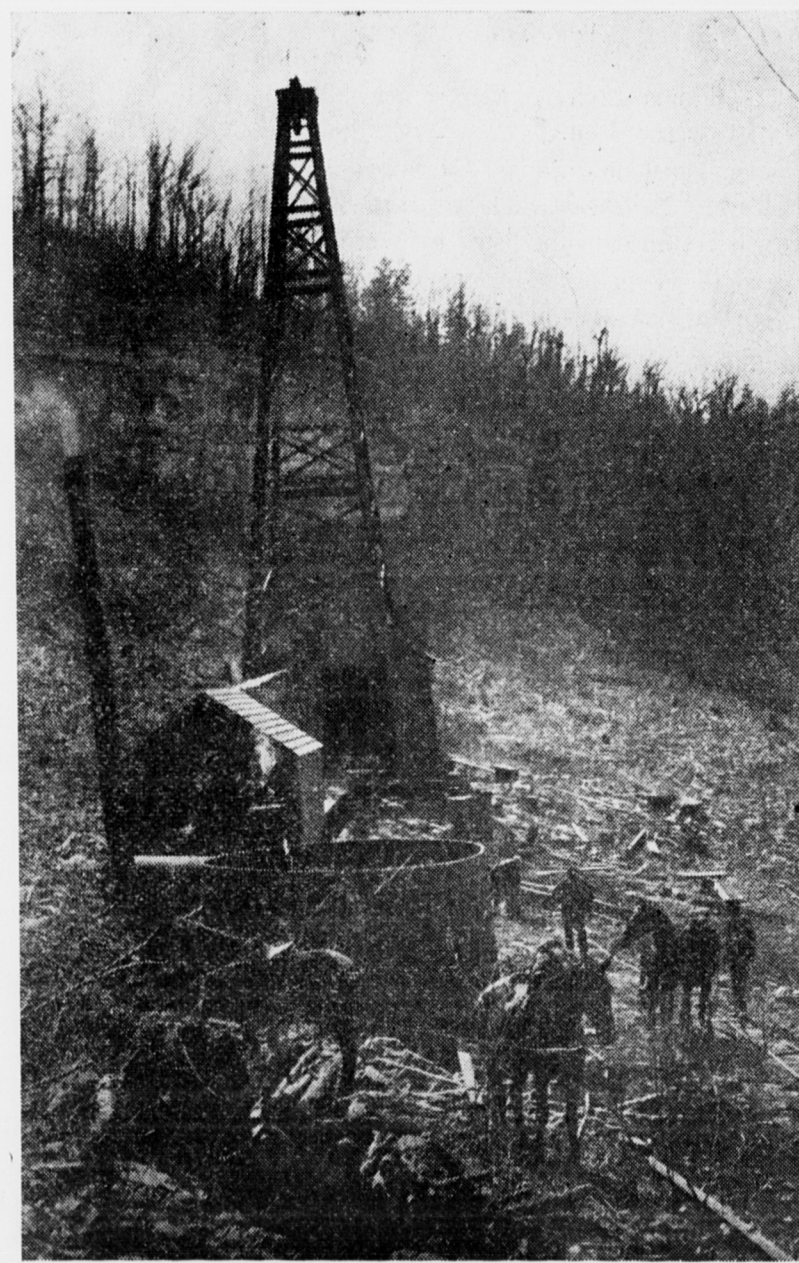
The Kentucky Western Oil & Gas Company has secured a block of 43,000 acres in Edmonston and adjoining counties and already started test work on the large acreage of the Kentucky Asphalt Company, in Edmonson county.

In Taylor county, the Mid-Continent Oil and Gas Company is drilling at a depth of 266 feet on the Van Dyke farm, two miles north of Mansville. Harris and others are due with a well on the Andrew Lotter farm, north of Campbells-ville. West of that town the Stanton Oil Company is drilling on the Ada Turner farm.

Three important deep test wells are to be drilled by the State Line Oil Company, of Independence, Kan., under the supervision of C. W. Benson, near Lafayette, in Macon county, Tenn., and the Ohio Oil Company is at work on a deep well still farther south, and in Smith county, which will also test the lower formations, although the drilling in Smith county is hazardous, the rig having already been moved a number of times since the well was started.

Knox county shows a little revival. It is announced that the Ohio Oil Company will drill a deep test on the John Berry farm, near Gridler station, on Little Richard creek. The Weaver Oil Company is drilling a well on the William Tye farm. The Warner-Quinlan Company is arranging for the right-of-way for their proposed pipe line and the work of laying the line will start as soon as everything is in proper shape.

In the western part of Knox county, Hoskins and others will drill two or more wells on the Frank Hawn farm, and a well is expected to be drilled on the Sutton 50-acre farm, east and adjoining the Hampton farm. No. 1 on the Hampton farm is pumping, according to reports, and showing 8 barrels a day, and No. 2 looks good for 5 barrels, with No. 3 drilling. J. W. Cashdollar, who is now operating in the southern part of Allen county, at Adolphus, has secured some acreage in Knox county, along with F. W. Keimes, of Echo, Pa., and expects to shortly start work.



2,735-foot Test Well with an 8-inch Hole on White Oak Lease, Drilled by Hillis Brothers.

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ORIGIN OF OIL

(By Eugene Wesley Shaw)

The source and mode of formation of petroleum are not yet known with certainty, though fairly convincing evidence has been brought forth concerning the oil of certain fields. The most prevalent opinion among oil geologists is that it is of organic origin and that most of it at least has been derived from the remains of plants rather than of animals. However, the arguments for animal origin, as, for example, the fact that oil is in many places associated with mollusk shells, have appealed to many.

To the writer it seems very probable that most petroleum is of plant origin. The two principal reasons are, first, that carbonaceous remains of plants are far more abundant than those of animals in all rocks, and, second, that the hydrocarbon-bearing portions of animals decompose far more readily and quickly than such parts of plants.

By far the greater part (probably over 99 per cent.) of the carbonaceous material in the earth's crust that can be classified with certainty is of plant origin, and, except for water, plants consist principally of the elements that go to make up petroleum and natural gas, namely, carbon, hydrogen, and oxygen. The soft parts of animals also consist mainly of the same elements with more or less nitrogen, but they decompose or oxidize much more readily, and hence are much more likely to be lost in the air and surface water before being buried so deep that decomposition or oxidation ceases. The writer has had the opportunity of observing many lime, sand, and other formations in process of development, and has seen many places where plant material was being incorporated with sediment, including the great mud deposits at the mouth of the Mississippi River and certain rivers in northern Europe; the lime deposits around Florida and Yucatan, the Great Salt Lake, and elsewhere; sand deposits at various places along the Atlantic coast, the Great Lakes, the smaller lakes and streams; and more or less sandy, limy, and clayey deposits in glacial and other lakes. He has seen only a few places where the soft parts of animals have been or are being buried, and at most of these places it is presumable that decomposition continues to completion. Most oils contain a little nitrogen, which is a much more abundant and characteristic constituent of animal matter than of plant matter, but the amount in petroleum is generally a small fraction of 1 per cent. Many plants contain some nitrogen, and it appears possible that some of the nitrogen in petroleum may have come from air buried with the organic mud, the oxygen having been used up in other combinations.

The fact that globules of petroleum have been observed in cavities associated with shells of sea animals does not seem significant, because petroleum is almost exclusively found in cavities or in the larger openings and pores of rocks, and it is much more reasonable to assume that the oil came from elsewhere and stopped where it found a cavity, than that a part of the flesh of a Paleozoic sea mollusk was converted into petroleum, and that the other products of the change were carried away, although presumably less easily transported, while the petroleum was left for ages precisely where it was formed, particularly as, though fossils are abundant, occurrences of globules of oil in them are rare and are confined to those which happen to have cavities.

In the Irvine field of Kentucky a very large quantity of carbonaceous material is included in the Ohio black shale, which contains abundant remains of plants, particularly spore cases of ferns, which may be seen on almost any slab of the shale. They form rather conspicuous black or dark-brown spots ranging from one-sixteenth to one-fourth inch in diameter, and are commonly surrounded by resinous masses, which are beyond a doubt derived from plant matter and yet are very similar in composition to petroleum.

The facts that this shale immediately overlies the oil-bearing rock, though generally the very carbonaceous portion is separated from the oil rock by a few feet of light-colored clay shale; that is by far the most carbonaceous bed in the region; and that a petroleum heavier than that in the oil "sand" can be distilled from it make it seem extremely probable, if not almost certain, that this shale has been the source of the oil now being produced in the field. The writer knows of no oil field where the circumstantial evidence as to the source of oil is stronger than in the Irvine field. The spore cases themselves, which are beyond doubt of plant origin, have undergone a gradual slight rearrangement of their molecules that brings their composition close to that of petroleum, as is indicated when they are distilled in a closed tube. If they or in fact any portion of the shale is put in a glass tube a few inches long and closed except for a small opening at one end, and if the shale is shaken down to the opposite end and this end heated over a hot flame, gas will issue from the opening at the other end and may be ignited, while a conspicuous ring of oil distilled from the shale will form on the inside of the tube.

The conditions that determine whether oil or gas, which are composed of practically the same elements, and what variety of either will be formed when the shale is subjected to pressure for ages are not yet fully understood.

The next problem is to trace the oil from its original position of wide dissemination in the shale to the oil "sand" and to portions of the oil "sand" where the structure is favorable for the accumulation and retention of pools. The Ohio shale, like most other geologic formations, was laid down in water of one kind or another, and its original thickness, when it was saturated with water, was much greater than its present thickness. When great deposits of mud particularly carbonaceous mud, are buried beneath hundreds of thousands of feet of later deposits and allowed to lie thus buried for thousands or millions of years, compacting must obviously take place. To judge by determinations of pore space made by the writer, the average carbonaceous mud that is not yet buried has 8 to 10 times as much pore space as the present Ohio shale. In the compacting process all the fluids contained in the mud which later became the Ohio shale were forced out by the most available route, whether that was down, up, or sidewise.

After most of the compacting had been accomplished the fluids contained in the Ohio shale and the overlying and underlying formations must have been shifted about a little from time to time by any further compacting that took place, by crustal movements of the earth, by changes in internal temperature, by tidal stresses, by changes in air pressure, and probably by an extremely slow direct or indirect downward migration, such as the writer suspects is common to all water under lands that attain any considerable altitude above the sea. In this way the oil and gas formed in the Ohio shale were very likely lifted somewhat, though the facts concerning their evident close confinement and the existence of salt water near the surface indicate that the migration of none of the fluids has been extensive.

According to the writer's views, the migration and separation of the oil, gas, and water are effected as follows:

The water, oil, and gas in all rocks are constantly under the influence of intermolecular attractions, which are effective through only minute distances, but which within those distances are very great, much exceeding that between the earth and a molecule. Such forces differ from substance to substance, and their general effect in a sand is to push the oil and gas into the larger pores or cavities, or at least to retain it in such places after it has arrived. Apparently the heat activity of the molecules would not profoundly modify the result. The largest pores available to the oil of the Irvine field are in the "Corniferous" limestone. As the amount of oil was insufficient to fill all the cavities in the limestone throughout its extent, the continuance of all the processes that tend to shift about fluids within the earth might very reasonably have caused the oil and gas to respond to the force of gravity, which is stronger for water than for oil, and to migrate to the places where the sand lay highest, leaving water in the lower places. It seems impossible that in the nearly flat-lying beds of most oil fields the migration to the top of an anticline or other favorable structural feature could be accomplished by gravity alone, while all fluids were quiescent, but if the fluids were moved any considerable distance the oil and gas might during their migration accommodate themselves to gravity and get to the tops of the anticlines, and if all fluids were subject to an oscillatory motion, even if so slight as to amount to the diameter of only a few pores, the oil and gas would perhaps still migrate to the tops of the anticlines.

WYOMING FIELD

Pipe line runs from the Big Muddy field in Wyoming are estimated at about 5,000 barrels a day. There is an additional production in that field of about 2,500 barrels a day not being marketed. This production has been developed in one year, the first well in Big Muddy having been completed late in 1916. Three wells have been completed in this field in the last fortnight.

Because of its accessibility two railroads run through this field—work is continuing during the winter, the Ohio Oil and the Midwest Refining companies centering their drilling there. During the last several weeks more than two score wells have been completed in the state.

Because of the rapid growth of production in Wyoming in the last year, a pipe line to the Imperial Oil Company's refinery at Regina, Sask., is said to be contemplated. Imperial Oil Company, the Canadian subsidiary of Standard Oil, is credited with control of the Midwest Refining, which in turn owns Merritt Oil Corporation. These two companies own much of the best oil lands in Wyoming.

Crude oil is being shipped to the Imperial refinery part of the way in pipe line and the rest of the way in tank cars. As a result of the agricultural development of the Canadian Northwest, demand for gasoline has increased and additional supplies are necessary.

Eventually, it is believed, Wyoming Oil will be brought to the eastern refineries. This development is expected to take place through the building of a pipe line connection to the Prairie pipe system and thence eastward over the network of pipe lines running to the seaboard refineries.

Oil producers also are active in Kansas. The El Dorado field is one of the best in recent years. It is not thought to be more than slightly developed. Kansas at present is producing about 150,000 barrels a day. It is gaining rapidly on Oklahoma. Latest figures show that the last named state, outside of Cushing and Shamrock, is producing about 140,000 barrels daily. Cushing and Shamrock field is producing about 50,000 barrels a day.

Total production of the midcontinent field, including output of fields in north Texas, is slightly in excess of 450,000 barrels a day. Total production of all fields in this country is 1,000,000 barrels a day, close to half of which is in the midcontinent field.

If it had not been for the wonderful pools brought in in the midcontinent field in the last few years, the oil industry would have been in a bad way. Cushing alone ran 300,000 barrels of oil a day for a while. It now is doing only a fraction of that. Its place has been taken by the Kansas pools for the time being.

These midcontinent pools, however, are short-lived, and while they give an abundance of oil for a time, the oil trade needs fields of permanent production.

FROM OIL AND GAS JOURNAL.

With increased pipe-line facilities, Kentucky's oil put will soon exceed the coal production of the State, according to figures of the Tax Commission.

Tulsa is to have a million-dollar terminal and the Sante Fe is to foot the bill. Tulsa seems to be going ahead in the direction of prosperity, thanks to oil, gas, energy and enterprise.

Fortunately, Congressional news is not censored. That is why the public has learned so much recently about those dangerous delays in American preparedness for war.

R. E. Downing has returned from a trip to Kentucky and West Virginia and reports a superabundance of winter weather in those States and a consequent falling-off in oil-field activity. Mr. Downing expects a big increase in business in Kentucky and West Virginia in the spring.

According to a Wichita (Kan.) dispatch, a syndicate of Wichita men, headed by S. T. Joselyn, has paid \$100,000 for a one-sixteenth royalty interest in the 160 acres in the southeast quarter of Section 23-26-4. The land is owned by Deering J. Marshall, a former Wichita shoe clerk, who has made a fortune in oil.

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PERSONALS

Ira Huff went to Indiana for the holidays.

President Tomb shows diplomacy in all things.

Joseph Hervey left for Cleveland Sunday night.

Tom Leech spent Christmas at Vincennes, Ind.

Secretary Pratt was a Lexington visitor Sunday.

E. M. Nowell returned from Beattyville Thursday.

G. B. Harmon is back from a trip to West Virginia.

Kelley—the original—went to Chicago for Christmas.

A. L. Romaine left Monday for Charleston, West Virginia.

Mr. Kerns, from Allen county, was in Lexington this week.

W. L. Lyons was presented a beautiful daughter for Christmas.

Bill Mason, from all over the world, went to Boston for Christmas.

Wireback went to Bridgeport, Ill., to spend the holidays with his family.

Doc Stewart went to Cincinnati Sunday and came back Christmas day.

Sidney Flower, former publisher of the Gold Field Gossip, is in town.

The Pan-American has set a rig on the Gilbert farm, offsetting P. J. White.

T. O. Hoover, of Beattyville, who drilled in the test well on the Bernice Noland, was a visitor recently.

Ramey paid a visit to Louisville and returned Sunday. We do not know where he spent Christmas Eve.

Jim Hillis was around all day Christmas, passing around the Christmas presents.

Vice-President Loomis may be a good chauffeur, but he cannot run a car without gasoline.

I. T. Honnold, of the Wyoming-Kentucky Petroleum Company, was in Lexington Thursday. He is arranging to drill in Adair County.

C. Walter Bell, a Cincinnati capitalist, spent Christmas with his daughter, Mrs. W. L. Lyons, Jr. Mr. Bell is a great horseman and his friends claim that he is just as well posted on horses as he is on oil.

The government who has shown a red tape slowness in supplying the army and navy has now taken over the railroads. We presume that telegraphic orders will now lie over for several days in the quartermaster's department and traffic will be worse than ever.

"Uncle" Matt Mayhugh, of Parkersburg, W. Va., who has been a familiar figure in the Kentucky fields, came over to Lexington to do a bit of Christmas shopping (liquid). "Uncle" Matt, by the way, is the genial Irishman who told a "smart" New Yorker in Irvine last summer how to take a bath in a dry town and "Uncle" Matt's answer was to use insect powders.

Last week W. R. Fitch was made to feel good when an oil well was brought in on the Bernice Noland tract in Lee county in which he is interested with P. J. White and others; but Mr. Fitch received the best news of the week when a telegram announced the birth of a seven-pound girl to his daughter, which now makes him Grandpa Fitch.

In London they have what is called the privy council, which is some sort of a private adjunct to parliament, but in Beattyville, Ky., at the Roberts Hotel, they have a private council chamber in the top of a tree, which is a very unique arrangement, and the creek flows underneath it at an angle of 45 degrees. Dick Veech can tell you all about it.

OIL STOCKS FAVORED

NEW YORK.—There is a better investment sentiment regarding Standard Oil and some of the independent oil stocks, notably those with large producing properties. In the latest slump in security prices, leading Standard Oil stocks did not get down to the low point made several weeks ago. Standard Oil of New Jersey sold around \$490 a share, compared with a previous low of \$475. Standard Oil of New York sold about \$240 a share, against an earlier low price of \$220.

The favorable regard for oil stocks, especially companies with production, is due to the strong position of the industry. Consumption of crude oil by the refineries in this country far exceeds production. In the nine months ended September last, apparent consumption of crude oil was 264,000,000 barrels, whereas production was 254,000,000 barrels.

The leaders in the industry are giving the oil producers every encouragement to bring in greater output, the chief stimulus being record high prices. Notwithstanding the prevailing level of prices, Pennsylvania grade now being worth \$3.75 a barrel, there appears to be no prospect of any increase in production that will interfere with the existing strength of the market. New oil fields of high grade production are becoming more difficult to obtain and costs of production are increasing.

It is estimated that the average new well costs about \$10,000. This does not include wells driven to the deep sands. Unless costs of drilling can be reduced, there is likely to be further increases in the price of crude oil. Under present conditions the advantage is all in favor of the producing companies, which are firmly established in their fields, companies which have proven their fields and which are in a position to market oil.

The big Standard producing companies are perhaps the best in this class. The South Penn Oil Company, controlling high grade production in the old eastern fields; the Prairie Oil & Gas Company, Standard's producing and purchasing company in the midcontinent field, and the Ohio Oil Company, with production in the Illinois-Indiana field and in Wyoming, are strongly entrenched in producing and marketing facilities. Standard, of New Jersey, through the Carter Oil Company, operating in the eastern, midcontinent and Wyoming fields, is securing for itself adequate supplies.

In Wyoming, where the oil trade is developing fields of large production of long time character, the Midwest Refining Company is the leading interest. This company through its own lands, leases and contracts, and its ownership of Merritt Oil Corporation, has control over a crude oil supply of great extent.

The Merritt Oil Corporation, owning several thousand acres of oil lands centrally located in a definitely proven oil area, is building up one of the largest daily outputs of high grade oil of any producing company in this country.

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Oil Producers

FOSTER, BAHAN & BARKER

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EDITORIAL

NATURAL GAS COMPLAINTS GENERAL.

From many sections of the country during the present winter complaints are coming as to the inadequate supply of natural gas. Industrial plants have been shut off, in numerous instances, in order to conserve the supply for domestic consumers. But even this arrangement has failed to meet requirements and there has been unprecedented discomfort among gas-users, in the East and West.

Coal has been difficult to obtain and this fact has added to the difficulties of the situation.

In the majority of cases consumers have blamed their lack of gas on local companies, while the latter have persisted in declaring that they, too, are victims of circumstances. Meanwhile, they have been marking up prices in order to keep pace with rising costs of operation.

Gas fields have been yielding less gas than formerly and the prospects for future increase in the supply are not encouraging. Just how the natural gas problem is to be solved nobody seems to know. One way is to use stoves that are capable of burning both gas and coal and to have a coal bin on the premises always well filled, to meet emergencies. At the same time it will be necessary for coal operators to speed up the production of the mines and it will likewise be necessary for gas companies to keep on drilling new wells in territory located in the gas belts of the country. This policy, of course, would only hurry along the time when natural-gas heating shall cease entirely, but when that time comes other methods of light and heat production will be available.

WORKING FOR THE GOVERNMENT.

If you think government ownership is a good thing for labor, ask your postman.

He will tell you that his salary was fixed ten years ago; and, though cost of living has greatly increased since then, and workmen in private employment have generally received substantial increases, his employer has taken no cognizance of those facts.

After having served as a substitute he is put on the regular force at eight hundred dollars a year, and receives an annual increase of one hundred, if efficient, until he reaches twelve hundred a year. The average for the first nine years of substitute and regular service is said to be about eight hundred dollars a year.

The maximum is about twenty-five dollars a week. It might be instructive for you to find out where and how a man with a family can live on that amount in a big city at the present time.

There is a bill before Congress to adjust salaries of postal clerks and letter carriers in first-class and second-class offices. It proposes a thousand dollars a year for employees in the first grade, and successive promotions—for efficient employees—to a maximum of fifteen hundred dollars in the sixth grade. It ought to pass.

The National Association of Letter Carriers, in annual convention assembled, adopted a memorial in support of this bill. It is an exceedingly modest document, couched throughout in the language of dutiful servants, "respectfully appealing" for consideration of their claims.

That is the Government employee. For a breezily contrasting picture of the private employee, you may have read, almost any day lately, of the union delegate's walking into the boss' office, thumping the table and tersely remarking: "Come across!"

TAXES, LOANS, WASTE, AND THE BUDGET.

The Government at Washington is showing daily how easy it is to spend other people's money. War's ignorance of law extends also to business principles. As the old cabby told a tourist once: "When you have only time to catch a train, you can't argue about fares!" So very likely the cost-plus-profit method was justified in cantonment and other rush work. But, in the long run, the Administration will have to establish cost standards for various services and products—standards which are fair under existing condition, and hold it suppliers to them. Money is wasted now by providing some things ahead of time and others behind time, by ordering too much or too little, by centralizing all sorts of work at Washington so that costs go sky-high, and then complacently paying out to cover those inflated costs. Run on these lines no business could last a year.

It all comes back to the safe old point: our governmental practice of finance is to have a lot of departments and committees stir up a mass of appropriations, then tax and borrow to pay the bills and do it all over again next year. Compared with this the average American home is a temple of thrift. Every other big country makes its executive government plan in detail what it wants to spend, raise that much, and take the full responsibility for all that happens in connection therewith. The best President Wilson could suggest in his annual message was that the work of the numerous Congressional appropriations committees be centralized. That would be an improvement; but you don't harness a horse by putting a bridle on him. If Washington doesn't soon go farther than that toward a real budget system, then all this Administration talk about economy is merely preaching for others to practice. The place for big saving is where there is big spending.

ADVANTAGES AND DISADVANTAGES OF GOVERNMENT CONTROL OF RAILROADS.

(By S. C. Lyons.)

Now that the financial world has been greeted in the shape of a recommendation of President Wilson to Congress with reference to the railroad situation, many important questions arise regarding the advantages and disadvantages of government control of railroads.

From the mere recommendation itself, there are several exceedingly important points which seem not to be as clear as possible.

No. 1. So far nothing has been said in this recommendation regarding refinancing. In reference to this point in the President's message the railroads are allowed to undertake their own refinancing under direction of the new Dictator, namely, W. G. McAdoo.

No. 2. Another important point which does not seem settled as yet, is whether the three-year average earnings or a maximum or a minimum, or simply a minimum of what the roads will be allowed to earn. The Union Pacific railroad, for an example, earned an average during the three years prior to June 30, 1917, about 12 per cent. per annum. Now suppose this road should earn seventeen per cent. the coming year, would this additional five per cent. above the average earnings go to the road or to the government? So far there has been much discussion upon this point and upon inquiry in New York we find there is no positive opinion expressed as yet. From present indications it seems to be a minimum, but this of course will be worked out in detail by Congress and is expected that this group of men will probably fix a definite amount with any excess to go to the government.

Viewing the President's message broadly, however, the outstanding feature is from a railroad standpoint of view that the declining net earnings of the carriers are recognized by the government and that the Chief Executive has recommended certain actions which will undoubtedly be constructive and upbuilding.

PIPE LINE IS COMMON CARRIER.

The supreme court of California, after a long and hard fought battle, has handed down a decision declaring that the Producers' Transportation Company of that state, operating pipe lines, is a common carrier and therefore, that its rates and charges for carrying oil come under the jurisdiction of the state railroad commission.

The decision was based on the statement that the company, when building its pipe lines, had declared its purpose to transport oil for the public for profit. Upon this ground, the court states, the right of eminent domain was invoked and allowed, to enable the pipe line company to obtain private property necessary for the construction of its lines.

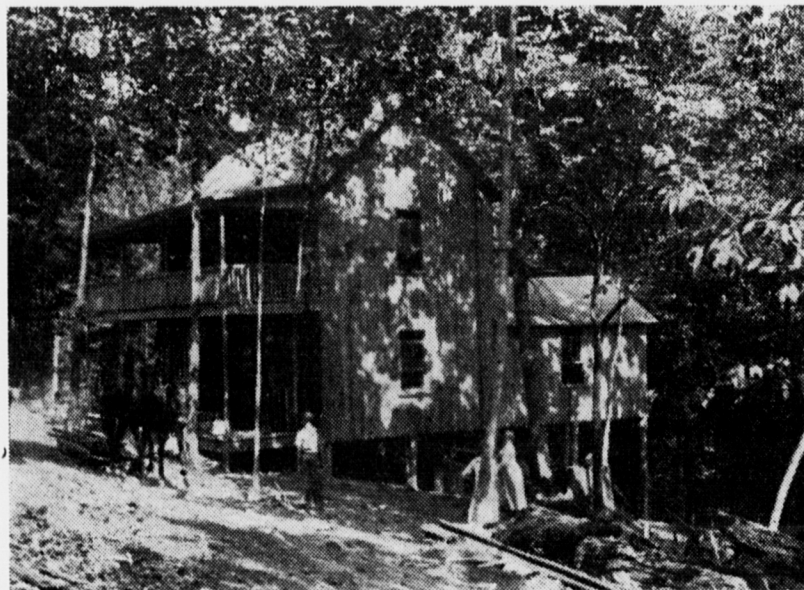
The beginning of the legal fight dates from August, 1913, when the railroad commission, after hearings, declared the Producers' Transportation Company a common carrier and ordered it to file with the commission a schedule of its rates and tariffs.

The case went to the supreme court on a writ of review, issued on complaint of the pipe line company that the railroad commission had exceeded its authority in declaring the transportation company a common carrier.

The company was incorporated in June, 1909, through the activity of the Independent Oil Producers' agency, which had a membership of about 100, to transport crude oil from the San Joaquin fields to Port Hartford, on the Pacific ocean.

The court points out, however, that the membership soon grew to 175 and that admission was never denied anyone desiring to transport oil through the pipe line, further showing the nature of the concern as a public utility.

Action, it is understood, will be taken at once to bring the rates of the pipe line company under the regulation of the railroad commission.



Camp House on Miller-Prewitt Lease, Owned by Petroleum Exploration Co.

COUNTRY-WIDE TANK WAGON MARKETS

Standard Oil Company's service station quotations on gasoline and tank wagon prices for kerosene in cents per gallon.

	Gasoline		Oil	
	Dec. 17	Dec. 10	Dec. 17	Dec. 10
EASTERN POINTS.				
New York	26	26	10	9
Boston	27	27	11	10
Philadelphia	27	27	12	12
Buffalo	25	25	11	10
Pittsburgh	27	27	12	12
Cleveland	25	25	..	..
MIDDLE WEST.				
Chicago	21	21	9	9
St. Louis	20.4	20.4	9.9	9.9
East St. Louis	20.5	20.5	10	10
Omaha, Neb.	22	22	10.5	10.5
Kansas City	20.3	20.3	9.3	9.3
Peoria, Ill.	21	21	11	11
Detroit	20.5	20.5	11	11
Indianapolis	21	21	11	11
Minneapolis	22	22	11	11
La Crosse, Wis.	21.9	22	11.4	11.4
Yankton, S. Dakota	23.3	23.3	12.3	12.3
Sioux City, Iowa	20.3	20.3	10.5	10.5
Oklahoma City, Okla.	25	24	9	9
SOUTHERN POINTS.				
Atlanta, Ga.	26	26	12	12
Fort Worth, Texas	26	26	14	14
New Orleans, La.	23.5	23.5	10.5	10.5
Nashville, Tenn.	23	23	12	12
Memphis, Tenn.	20.5	20.5	11	11
FAR WEST.				
Denver	26	26	12.5	12.5
San Francisco	20	20	9	9

ARRIVALS AT THE PHOENIX

J. B. Tannor, Jr., Huntington, W. Va.	R. B. Williams, Jackson.
T. C. Hammond, Houston, Texas.	R. E. Pope, Campton.
P. J. Duffy, Chicago.	Prentice Beatty, Beattyville.
S. W. Ruckman, Elkins, W. Va.	J. F. White, Pittsburgh, Pa.
W. B. Good, Somerset.	J. B. Payne, New York.
J. T. Boyd, Furnace.	J. N. Taylor, West Virginia.
E. Everitt, Chanute, Kans.	A. L. Robinson, West Virginia.
Jos. D. Frazer, Cleveland.	L. A. Doggett, West Virginia.
Robt. Cunningham, Charleston, W. Va.	E. L. Davis, Midway, Ky.
O. C. Hill, Huntington, W. Va.	W. F. Kaufman, Detroit, Mich.
J. C. Kem, Akron, O.	J. V. Sproule, Evansville, Ind.
R. M. Sutter, Akron, O.	Geo. Pow, Burch, W. Va.
P. S. Cline, Akron, O.	H. P. Worth, Pittsburgh, Pa.
Chas. Stacy, Kansas City.	C. C. Winters, Detroit, Mich.
R. Matthews, Lima, O.	Wm. C. Bennam, Winchester.
H. F. Bryant, Charleston, W. Va.	T. Dowd, Beebe, Ariz.
B. F. Wilson, Clarksburg, W. Va.	C. W. Cook, Cynthiana, Ky.
R. L. McGuire, Tulsa.	C. Bernard, New Orleans.
J. C. Riley, Torrent, Ky.	B. F. Forgey, Ashland, Ky.
J. C. Hoskins, Winchester, Ky.	R. W. Schneider, Irvine, Ky.
T. F. Reynolds, Cynthiana, Ky.	W. S. Daugherty, Sherburne, Ky.
A. Rutherford, Clarksburg, W. Va.	W. H. Staley, Dallas, Texas.
C. C. Hillyard, Clarksburg, W. Va.	Geo. S. Couch, Charleston, W. Va.
B. Gates, Somerset.	H. M. Rhea, Huntington, W. Va.
Simon Smith, Lima, O.	C. F. Robinson, Sharon, Pa.
R. C. Duncan, Nicholasville.	James O'Brien, Huntington, W. Va.
Wm. Yoerns, Torrent.	Kelly Kash, Irvine, Ky.

CRUDE OIL QUOTATIONS

Dates of Price Changes of Important Crudes

No changes in the price of crude oil in any of the producing fields of the country took place last week.

Pennsylvania crude is now \$3.75 per barrel, the amount of the latest advance, December 4, having been 25 cents a barrel.

Corning grade advanced 20 cents at the same time and is quoted now at \$2.80. Kentucky crude, known as Somerset, also advanced, the extent of its advance being 15 cents, bringing its price at present to \$2.55. Ragland was marked up 10 cents to \$1.20.

Wooster, North and South Lime and other eastern grades are unchanged, no advance having been made in their quotations since last August.

Kansas and Oklahoma, aside from Healdton, is quoted at \$2.00. It has made no advance since last August, when it was marked up 30 cents a barrel.

CRUDE PRICES.

Quoted by the predominating pipe line company in each field. All prices are at the well in barrels of 42 gallons, Dec. 3.

Eastern Fields.			Texas Fields.		
PRICES.			North Texas.		
	Jan. 1, 1917	Jan. 1, 1916		Jan. 1, 1917	Jan. 1, 1916
Pennsylvania	\$3.75	\$2.85	Electra	\$2.00	\$1.47
Cabell	2.58	2.22	Henrietta	2.00	1.40
Wooster, O.	2.38	1.80	Corsicana light	2.00	1.40
Corning	2.80	2.25	Corsicana crude	1.05	.75
North Lima	2.08	1.58	Strawn	2.00	1.40
South Lima	2.08	1.58	Moran	2.00	1.40
Indiana	1.98	1.43	Gulf Coast.		
Princeton	2.12	1.62	Spindletop	1.05	.90
Somerset	2.55	2.05	Goose Creek	1.00	..
Ragland	1.20	.95	Sour Lake	1.00	.90
Illinois	2.12	1.62	Humble	1.00	.90
Plymouth	2.13	1.53	Batson	1.00	.90
Canadian Petrolia	2.48	1.98	Saratoga	1.00	.90
			Dayton	1.00	.80
			Louisiana Fields		
			Caddo, above	38 deg.	\$2.00
			Desoto, about	38 deg.	1.90
			Caddo, 35 deg.	35 deg.	1.90
			Caddo, 32 deg.	32 deg.	1.85
			Caddo, crude	32 deg.	.85
			Crichton	32 deg.	1.10

Effective June 28, 1917, Standard Oil Company offers the following prices for crude oil at the well:

San Joaquin Valley Fields.		Per bbl.	
(Kern River, Midway-Sunset, McKittrick, Lost Hills-Belridge, Coalinga.)			
14 deg. to and including 17.9 deg.	\$0.98	18 deg. to and including 18.9 deg.	.99
and for each increase in gravity of one (1) full deg. above 18.0 deg. gravity, up to and inclusive of 24.9 deg. gravity, (1) cent per barrel additional.		25 deg. to and including 25.9 deg.	\$1.07
and for each increase in gravity of one (1) full deg. above 25.0 deg. gravity, up to and inclusive of 36.9 deg. gravity, two (2) cents per barrel additional.		37 deg. to and including 37.9 deg.	\$1.32
and for each increase in gravity of one (1) full deg. above 37.0 deg. gravity, three (3) cents per barrel additional.		37 deg. to and including 37.9 deg.	\$1.32
		and for each increase in gravity of one (1) full deg. above 37.0 deg. gravity, three (3) cents per barrel additional.	

MEXICAN PETROLEUM.

From our latest source of information the earnings of Mexican Petroleum promise to exceed slightly those of last year. Notwithstanding that this company has had a larger proportion of its boats commandeered than any other oil concern, it will earn more on a checked production than ever before. Its pipe lines and equipment are able to furnish about 90,000 barrels a day, but all its tanks are full and it is able to ship only about 55,000 barrels a day. Instead of the pressure at the wells diminishing, it has been increased by the necessity of still further shutting in. The company is getting about 5,000 barrels of gasoline from its topping plant, but it is building a refinery so as to take still more of the refined products from the fuel oil. At the selling price of this stock there is no doubt in our belief that the same, if bought and held, will show handsome profits in time to come.

GOVERNMENT AND GAS

Big Well in Eastern Field.

PITTSBURGH, Pa.—A blizzard sweeping over the Eastern fields, followed by zero weather, almost stopped development work. At no time in the past few years was drilling so completely tied up. In consequence the shut-down for the greater part of the week. However, there was one completion that attracted much attention, owing to its size. It is the Manufacturers Light & Heat Company's No. 4 on the L. & M. Strobe farm, located in the Isminger pool, Springhill Township, Greene County. The well was drilled in early in the preceding week and on Friday was drilled a little deeper. During the ensuing 24 hours the well produced 1,166 barrels, giving it the distinction of being the largest producer completed in the Eastern fields during the current year. The well did not show marked staying qualities, as it is located inside of defined territory. At the close of the past week the production had dropped to 500 barrels a day. The location is along the northeast and southwest line of developments. No. 1 on the L. & M. Strobe farm, for months delayed with a fishing job, is drilling in the top of the Gordon sand. The location is favorable for a good producer, but the wells completed since it was started, have had a long pull on the producing formation.

As to the future of the Isminger pool, there is not much room for speculation. On the northeast and southwest line there is room for considerable development work, but not much chance for extending the producing limits. On the west side is gas and the producing limits to the east have been fully defined. It is expensive territory to drill and operators holding leases will not rush development work—not during the winter months, at least. This and the Speechley sand territory in Allegheny county are in a class by themselves when it comes to cost of operating.

WEST VIRGINIA FIELDS

Red Bank Pool.

The new development near New Bethlehem, Red Fork Township, Clarion county, is by far the best attraction in the local fields. No new wells were completed during the week, but new work is starting. The three producing wells are holding up creditably and one or more will be due to get the sand before the end of another week. The new wells under way are so distributed as to make a fair test for the territory. In a way, the development is unique. It is so far removed from any previous pool as to be in a class by itself. There is no room for comparison or lining it up with some other previous development. The nearest is more than six miles distant. Should it prove to be a pool of appreciable dimensions it will be but a few weeks before the rush to start new work begins. The depth of the wells is between 800 and 900 feet.

In Central district, Doddridge county, the Imperial Oil & Gas Products Company completed a test on the M. E. Dotson farm. It is a natural producer, good for 6 barrels a day in the Big Injun sand. This location is 600 feet north of the Hope Natural Gas Company's test on the Henry K. Hewitt farm.

In the Burning Springs district, Wirt county, A. A. and E. P. Mellon have completed and shot No. 36 on the Rathbone oil tract. It is good for 5 barrels a day in the second Cow Run sand. In the same district, the Red River Oil & Gas Company has drilled No. 9 on the W. H. H. Wheaton farm through the Salt sand. It is not good for more than 2 barrels a day in that formation.

On Dolls Run, Clay district, Monongalia county, the Wabash Oil Company has drilled No. 14 on the J. C. Morris farm through the Big Injun sand and showing for a 2-barrel pumper. On Knob Fork, Clay district, Wetzel county, the Hope Natural Gas Company has completed a test on the J. B. Brush farm. It is a gasser in the Gordon sand.

On Pole Camp Run, Union district, Harrison county, the Crude Oil Company has drilled its test on the E. M. Ferris farm into the top of the Gordon sand. It is showing some gas and is still drilling. On Kinchloe Creek, in the same district, the Hope Natural Gas Company has drilled a test on the J. W. McKinley farm into the Big Injun sand. A light gas pressure has been developed in that formation.

On Bartholomew Run, Mannington district, Marion County, the Hope Natural Gas Company has rig material at a location for a test on the E. H. Hudson farm. On Pyles Fork, in the same district, the same company is drilling on the B. F. Wells farm. On States Fork, the Hope Company has started to drill on the Eliza Wells farm.

On Long Drain Run, Church district, Wetzel County, the Carnegie Natural Gas Company is drilling on the Mary J. Fetty farm. On Fishing Creek, Grant district, the same company is due in the Gordon sand on the James H. Shreve farm. On Fishing Creek, Center district, the Hope Natural Gas Company is underreaming at its test on the J. M. Brown farm. In the same district, the same company is building a rig on the Roberts heirs' farm. On Fish Creek, Church district, the Manufacturers Light & Heat Company is hauling in rig timbers at a location on the E. & C. Cosgray farm.

On Little Creek, Spencer district, Roane County, the Pure Gas Company is delayed with a crooked hole at its test on the Mary M. Greenleaf heirs' farm. On Spring Creek, Grant district, Jackson County, the Carter Oil Company has started to drill a wildcat on the H. E. Cover farm. In Ten Mile district, Harrison County, located on Grass Run, Randolph & Dennison have started to drill a second test on the Amos Maxwell farm. In Smithfield district, Roane County, the Carter Oil Company has abandoned No. 43 on the P. A. Tallman farm.

On Wheeling Creek, Richhill Township, Green County, the Natural Gas Company of West Virginia has drilled a test on the Mary Patterson farm into the Gordon sand. It is a gasser. In the same district, the Carnegie Natural Gas Company is due in the sand at a test on the W. H. McCracken farm. The same company has started to drill a test on the John Parsons farm. The Natural Gas Company of West Virginia is down 1,500 feet at a test on the John Clutter farm. The City & Suburban Gas Company is due in the Big Injun sand on the Jacob Powers farm.

Owing to the cold weather, work in the new pool in Red Bank Township Clarion County, was delayed. One or two wells will be due this week. The first is Norwood, Johnston & Co.'s test on the James Redaker farm. The Apollo Natural Gas Company is tubing its well on the Facemyer farm and will put it to pumping. There is a good deal of interest centered in this new development.

On the West Virginia side of the river district, Kanawha county, the Ohio Fuel Company has completed and shot one on the James A. Gross farm and placed 45 barrels to its credit the first day. In Church district, Wetzel county, the Hout Natural Gas Company has drilled its test on the James Burch farm and is dry. In Grant district, Wetzel county, the Philadelphia Company has drilled a test on the T. M. Haskins farm and it is a gasser. In the same locality the Manufacturers' Light and Heat Company's second test on the William Thomas farm is a gasser, and the same company is drilling a test on the Martin Teagarden farm and has the rig completed for another. The Hope Natural Gas Company has started to drill on the Joseph Rice farm.

In Liberty district, Marshall county, the Manufacturers' Light and Heat Company has drilled tests on the R. S. Winters and Clara Bane farm and both are gassers. In the same district the Carnegie Natural Gas Company's on the Bowers-Walton farm is a gasser and the Manufacturers' Gas and Electric Company has completed a second test on the W. A. Dowler farm and it is a gasser. There is quite a little new work under way and starting. The Manufacturers' Light and Heat Company is drilling tests on the J. & E. Dorsey, J. M. Rihne, A. J. McGlumphy and Robert Bussard farms. The same company has rigs completed for tests on the M. Charnock and G. M. Miller farms. James Wilson and Company have started to drill a test on the W. S. Phillips. In the Big Flint district, Doddridge county, the Carter Oil Company has made locations for tests on the Rebecca McKinney and T. B. Spencer farms.

In Greenbrier district the Imperial Oil and Gas Products Company is due at a test on the Daniel Duckworth farm and its test on the M. E. Dotson farm is producing 6 barrels a day. On the Ohio side of the river, in Jefferson county, Lewis & Company have completed their tests on the N. Burris farm and it is a duster. In the same locality the Exchange National Bank has a ten-barrel pumper on the D. O. Carpenter farm and O'Day Bros. have a light pumper on the Jonathan Hook farm. In the Isminger pool, in Greene county, Penn., the Manufacturers' Light and Heat Company's original test on the L. & M. Strobe farm produced 410 barrels and No. 4 269 barrels as shown by the last gauge.

KENTUCKY OIL RUNS

The reported sale of the Furnace Oil Company's holdings in the Irvine field is erroneous, according to local members of that company.

In Lee County, on Sinking Creek, the Wood Oil Company got a five-barrel producer at No. 5, W. C. Lair.

In Estill County in the Wagersville district, F. H. Yates and others at No. 8 on the Charles Rice farm was dry.

Dick Veitch and others are down 40 feet on the Sallie Davis tract, located 1 3/4 miles southwest of the Poplar Signboard district in Lee County.

Nowell, Newton and Groesback are due Saturday at their first on the Sutton Moore tract, lying southeast of the Caddy Oil Company's Jack Wells production.

Activity in the Kentucky fields is still slack, due to continued weather conditions and the holiday season. Many of the operators and field workers will not return to work until after the new year.

J. W. Cashdollar, who is now operating in southern part of Allen County, at Adolphus, has secured some acreage in Knox, along with F. W. Keimes, of Echo, Pa., and expect to shortly start a test well.

The Kentucky Western Oil & Gas Company has secured a block of 43,000 acres in Edmonson and adjoining counties and already started test work on a large acreage of the Kentucky Asphalt Company, in that county.

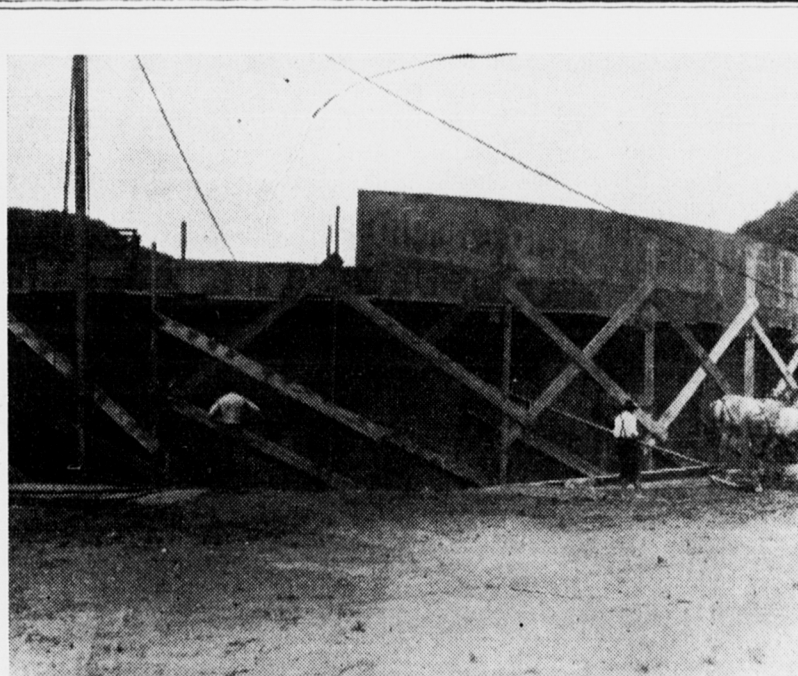
A well that flowed several hours is reported to have been drilled in Allen County, nine miles from Scottsville, and adjoining the Susan Moore production. The producer is the first on the J. R. Johnson farm and has caused added interest in that territory.

In the western part of Knox County Hoskins and others will drill two or more wells on the Frank Hawn farm and a well is expected to be drilled on the Sutton farm east and adjoining the Hampton farm. No. 1 on the Hampton farm is pumping and showing 8 barrels a day, and No. 2 look good for 5 barrels, with No. 3 drilling.

Knox County shows a little revival. It is announced that the Ohio Oil Company will drill a deep test on the John Berry farm, near Gridler Station, on Little Richard Creek. The Weaver Oil Company is drilling a well on the Wm. Tye farm. Warner-Quinlan Company is arranging for the right-of-way for their proposed pipe line and the work of laying the line will start as soon as everything is in shape.

The Cumberland Pipe Line Company is extending its line into the Sign Board district, and as soon as completed and pumps installed oil will be run from that district, where considerable production has already been found. Other sections of the field will be connected up as rapidly as material can be secured and there is an outlet for the crude through their main line near Campton. At this time the Cumberland people are handling about all its pipe lines will hold, and are taking only a small percentage of the developed production.

J. T. Brickner, with the Ardmore-Kentucky Oil Company, has let the contract for the drilling of a test well on the Hall & Caywood farm, on Martin's Fork, in Harlan County. Mr. Brickner is from Oklahoma and expects to do some deep test work for his company. At the opening of spring a well will be drilled on the John Carter farm, on Crummiel's Creek, in the same county, and preparations will be made to go to a depth of 3,000 feet if necessary. A structure has been found in the location of the Carter farm and a test well will be drilled on both ends of it to give it a good testing.



Cumberland Pipe Line Tank, Ravenna, Ky.

A considerable decrease is noted in the runs from various Kentucky oil districts during the week ending December 15, which is attributed to the fact that the heavy snows and freezing weather during last week greatly handicapped pumping.

Completions have also materially fallen off, which can be accounted for, for the same reason.

The report of the Cumberland Pipe Line Company follows:

Busseyville	700.12	Stillwater	128.23
Fallsburg	261.49	Wagersville	374.95
Cooper	239.95	Beaver Creek	94.30
Denney	313.62	Ragland	504.87
Steubenville	649.73	Parmleyville	383.93
Cannel City	261.12	Pilot (1)	11,602.76
Fitchburg	9,955.78	Pilot (2)	5,281.98
Ravenna (1)	1,911.86	Zachariah	374.39
Ravenna (2)	3,486.78		
Ravenna (3)	8,495.27	Total	45,021.14

COMPLETIONS.

Fallsburg, Lawrence county—Ohio Fuel Oil Company, No. 1, Wm. C. Rider, 3 barrels. Ohio Fuel Oil Company, No. 2, J. C. Short, 5 barrels. Cooper, Wayne county—L. C. Neely, No. 12, Burnett heirs, dry. Fitchburg, Estill county—Arco Oil Company, No. 14, N. D. Weirman, 25 barrels. Ohio Oil Company, et al, No. 2, W. M. Truitt, 5 barrels. Ravenna, Estill county—United Oil Company, No. 21, A. M. Pasley, 25 barrels. W. S. Raydure, No. 5, Berry Abney, 8 barrels. United Oil Company, No. 11, S. P. Marcum, 10 barrels. Beaver Creek, Floyd county—Yolands Oil Company, No. 7, Isaac Bradley, 1 barrel. Pilot, Powell county—Pilot Knob Oil Company, No. 13, H. C. Baker, 20 barrels. J. T. Hervey, No. 17, Elijah Baker, 50 barrels. Pilot Oil Company, No. 5, David Proffitt, 20 barrels. Ohio Oil Company No. 3, I. T. Rogers, 40 barrels.

Assuming that Erie 1st stock would pay its 4 per cent. dividend, it is selling on better than a 15 per cent. basis.

The prospect of floating a \$500,000,000 blanket mortgage to refund all outstanding Erie bonds looks brighter as a result of the Government guarantee.

The relief that will be accorded in all directions not only from an operating but from a financial standpoint is dilated upon at length in the press in a most favorable way.

OILS AND GAS

LIMA, Ohio.—Cold weather in the various oil fields of the country is playing havoc with new work and pumping wells, and Oklahoma has already dropped off 40,000 barrels a day. Midcontinent producers never count on severe temperature and do not prepare as operators do in the Ohio Valley. Texas is effected and Wyoming is at a standstill and will do very little work during the next three months. Production in the midcontinent field for the past week fell below 400,000 barrels, being divided as follows: Caddo, 13,000 barrels; North Texas, 30,000 barrels; Corsicana light and Thrall, 1,800 barrels; Oklahoma (outside of Cushing, Shamrock and Healdton), 125,000 barrels; Cushing and Shamrock, 49,000 barrels; Healdton, 57,000 barrels; total, 397,800 barrels.

The estimated daily production of heavy gravity oil in the Gulf Coast field was 74,000 barrels, Corsicana heavy 500 barrels.

On the Ohio side of the river in Richland Township, Holmes County, the Ohio Cities Gas Company completed and shot another well on the C. and S. Meeks farm and it is good for 25 barrels. In Hanover Township, Licking County, Whitehill & Heasley have drilled a second test on the Rebecca Wickham farm, showing for a light pumper. One mile west of production in Cass Township, Muskingum County, George Guthrie & Co. have completed a test on the Thomas Little farm and it is a fair gasser. In the Elba district, Enoch Township, Noble County, Charles Cross & Company completed a test on the Alfred Hupp farm and it is a duster. In the same township Lawrence & Newell's test on the L. L. Lovett farm is a duster. The Schott Farm Oil Company completed No. 11 on the Casper Schott farm and it is a very light pumper. C. E. Hammone & Company drilled on the Leo Crum farm and have a very light pumper.

On the West Virginia side of the river new work continues to spring up throughout the old districts. In Grant district, Wetzel County, the Blackshare Oil and Gas Company is at a test on the M. D. Snodgrass farm, and Snyder & Pentz are drilling on the J. L. Stephens farm. In New Milton district, Doddridge County, the Carnegie Natural Gas Company is rigging up a second test on the William Smith farm, and in Salt Lake district, Braxton County, the Philadelphia Company is hauling rig timbers to a location on the J. H. McCauley farm. In the same district the Hope Natural Gas Company is building a rig on the C. Kuhl farm and hauling in the tools at a rig on the M. F. Shoudice farm. In Freeman's Creek district, Lewis County, the Reserve Gas Company has the rig completed for a test on the Calvin Fisher farm and has rig material on the ground for a test on the L. W. Davis farm. In Eagle district, Harrison County, the Carnegie Natural Gas Company is building a rig on the M. E. Copenhaver farm, and in Salt Lick district, Braxton County, the Clayton Oil and Gas Company is at its test on the Jeffre heirs' farm.

In Grant district, Ritchie County, the Hope Natural Gas Company has completed one on the Hannah M. Hammett farm showing for four or five barrels. In Murphy district the same company has completed one on the C. F. Beall farm showing for five or ten barrels. In Spencer district, Roane County, the Carter Oil Company's latest on the T. L. Bartlett farm started at five barrels in the Big Injun. In the Burning Springs district, Wirt County, the South Penn Oil Company completed one on the E. M. Wilson farm. Across the line in Ritchie County the same company completed one on the Sarah J. Lemon farm and got the same kind of a pumper. In Big Sandy district, Kanawha County, the Summit Oil and Gas Company has a five-barrel pumper at a test on the Vandine-Robinson farm, and in Courthouse, Lewis County, the Philadelphia Company has completed a test on the N. J. Woolfer farm and it is a gasser. In the same district the same company's test on the J. L. Coverly farm is a gasser. In Washington district, Jackson County, the United Fuel Gas Company completed a test on the Sarah Archer farm and it is a fair gasser. In McElroy district, Tyler County, the Pittsburg and West Virginia Gas Company's test on the Jacob McCullough farm is a gasser. The Hope Natural Gas Company got one of the same kind at a test on a part of the same farm. The Hope has a rig completed for a test on the M. H. Kyser farm.

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Rock Island R. R. declares semi-annual dividend of 3 1/2 per cent on the new 7 per cent. pfd., and 3 per cent. on the 6 per cent. pfd.

The U. S. Steel Company will offer the common stock to employees at 80, and the preferred at 102.

The offer will be out in a few days.

WILDCATting IN TENNESSEE

If favorable structure may be taken as a criterion, a new oil field will be opened up in Smith county, Tennessee. According to an informant, a test in that county is now being made by the Ohio Oil Company, on the Robert Lancaster farm, a distance of one mile northwest of the town of Lancaster, and 65 miles east of Nashville. The operators are down over 100 feet and will proceed with the drill until a thorough test is made. These operators will drill five deep tests in that territory.

In this vicinity is an excellent anticline, the apex of which has been exposed by the construction of the Tennessee Central Railway's line through that territory. It is in a well selected location that the Ohio Oil Company is making their test.

This section of Tennessee is 120 miles west and south of the Glenmary district in Scott county, Tennessee, and is 60 miles due south of the Scottsville pool in Allen county, Kentucky. Mr. E. Everest, of Chanute, Kansas, has been making an investigation of that part of middle Tennessee since last April and he is of the opinion that an oil field will result in that territory.

The Ohio Oil Company's test on the Pettit farm in Morgan county, Tennessee, is down 975 feet. This lies south of Scott county in the same state about 25 miles from Glenmary.

THE SCISSORBILL.

(Reprinted by Request)

When God this world he first did make,
He made the Gumneck and the snake;
The yellowhammer came in line
And then the cattle and then the swine;
The Starvouts from old Pensys hills
And then he made the Scissorbills.

The last job was the worst of all,
For that was what caused poor Adams fall.
The poor old fellow tore his hair
And at those Scissorbills did swear,
Then to the Lord began to pray
To take the Scissorbills away.

And to the Angels thus he spake,
I surely made one great mistake,
For the Scissorbill is very strange;
He gets the corn and keeps the change.
So tomorrow morning I'll start them out
To Illinois by the Big Four route.

He says, that place just takes my eye,
For there they will have to work or die;
It's full of fevers, aches and chills;
It's just the place for Scissorbills.
So the train pulled up at Willow Hill
And put off every Scissorbill.

But each one had a house next morn
And round it planted fields of corn.
Then misfortune fell on them like rain;
The army worm devoured their grain,
And what crops were not killed by draught
The rain came down and drowned out.

They struggled on and lived it down
And cleared their farms and built a town;
And some wore shoes upon their feet
And thought their happiness complete.
They thought their troubles all were o'er
But God's curse fell on them once more.

For the oil men came on them in swarms
And took possession of their farms.
The pumpers came to gather pearls
And toolies married off their girls.
Of troubles they have had their fill,
God pity the poor Scissorbill.

—OLD SCOUT.



"Flock" of Oil Tanks in the Irvine Oil Field.

First and City National Bank

LEXINGTON, KENTUCKY

LEONARD G. COX, Ch'm of the Board.
J. W. STOLL, President.
J. E. McFARLAND, Vice-President.
JOHN G. STOLL, Vice-President.
H. K. McADAMS, Vice-President.

J. W. PORTER, Cashier.
J. W. McMEERIN, Asst. Cashier.
FRANK C. BELL, Asst. Cashier.
JOS. HARTING, Asst. Cashier.
ALEX. DUNLAP, Jr., Asst. Cashier.

Capital Stock..... \$800,000.00
Surplus and Undivided Profits.... 480,000.00
Liabilities of Stockholders..... 800,000.00

Protection to Customers..... \$2,080,000.00
Gross Assets..... \$5,500,000.00

Solicits the accounts of the OIL PRODUCERS and guarantees courteous and business-like attention to all business entrusted to it.

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CANADIAN FIELD

CHATHAM, Ont.—In Southern Alberta, the development work of the past few months has centered in the Dingman district, near Okotoka, south of Calgary, with a slight amount of drilling in the Sweetgrass field, near the international boundary. In the Calgary field, a great deal of trouble has been experienced through inability to secure supplies. Several outfits are still at work, however.

The most active company in this field has been the Southern Alberta Oil Company, which already has a producing well. The Southern Alberta Refineries Company, which handles this production, is constructing gasoline storage tanks at the shipping point at Okotoka. The frequent bad roads from the refinery to the railroad have interfered with the hauling of gasoline.

The Southern Alberta Oil Company has had some difficulty with No. 2 well in Section 18-20-2. Operations were held up nearly a month owing to the non-arrival of 4½-inch casing. Then the casing parted and at last reports several weeks' work had not succeeded in recovering it. The hole is down 3,700 feet and practically no new hole has been made since the middle of September. Reports from Southern Alberta No. 1 indicate a greater pressure and production than a year ago.

Alberta Southern No. 1, Section 13-20-3, finished at about 3,500 feet. This well is close to Southern Alberta No. 1 and drilled by allied interests. Considerable oil is reported in the hole and it looks like a possible fair producer. The first pumping outfit installed proved unsatisfactory and a new pumping outfit is now being put in, but no definite test has yet been made of production. Alberta Southern No. 2 is rigging up on the southeast corner of Section 13-20-3, almost directly west of Southern Alberta No. 1. Drilling will be started this month.

The Alberta Pacific Consolidated, which has one well at 3,160 feet in Section 20-19-2 and another spudded in in Section 3-45-9, west of the Fourth meridian, has definitely decided to shut down till spring.

The Mount Stephen Oil & Gas Company, which has been drilling its No. 2 test in Section 7-20-2, was halted at 2,130 feet depth by the hole getting in bad shape. The derrick has been moved 63 feet west and No. 3 is now reported down 200 feet, drilling daytime only, though efforts are being made to secure a second drilling crew and run a night shift.

The Record Oil Company's No. 1, Section 4-10-2, is now the deepest hole in the field, having reached over 4,200 feet. This is the deepest drill hole in Canada, the next deepest being the Hyatt well, drilled near Petrolia a few years ago to 4,048 feet depth. The drilling to this depth has been done with a portable rig, and operations have been stopped till a heavier outfit can be installed. The company is trying to get one of the heavy outfits idle in the Calgary field for the work. The well in the last 200 feet of drilling went through two oil-bearing sands, these being the first showings encountered since a slight seepage at 700 feet.

Casinghead Gas Production.

It has been reported that work has at last been actually started on the installation of a casinghead gas plant at the Calgary Petroleum Company's wells. Earlier in the year the company made arrangements with California men to install a plant which was to be in operation by September, but there have been delays owing to non-arrival of the machinery. It is reported that the plant is to have a capacity of about 5,000,000 cubic feet a day, which is a little more than the estimated wet gas flow of the two Dingman wells. Though Calgary oil production has been small, there has been a considerable amount of wet gas developed in these and other wells drilled.

Application has been made at Calgary on behalf of the Janse Drilling Company for an order for the winding up of the McDougall-Segur Exploration Company. This was one of the two pioneer companies operating in the Calgary-Okotoka field, the other being the Calgary Petroleum Products Company. The McDougall-Segur Company and the Dingman enterprise started drilling about August, 1912, and the latter struck the first oil showing in October, 1913, and eventually secured some slight production. The McDougall-Segur Company test was located in the north end of the Turner Valley and was carried to over 3,600 feet without a show, the cuttings indicating that the formations at this point were "folded over" and practically double the thickness at the Dingman well. Later it was reported that the McDougall-Segur Company would start a test in the Sweetgrass field, but practically all the company's money was spent in drilling the first duster. No active work has been done for nearly two years.

Companies Reorganize.

Some reorganization is under way in connection with a number of the Calgary companies which are still active in development work.

Two of the companies interested are the Northwest Pacific Oil Company and the Western Pacific Oil Company, which are controlled by allied interests. The Midwest Oil Company has been organized with \$1,000,000 capitalization to take over both these enterprises, the shareholders receiving one share in the new company in return for every three shares in the old companies. Under the terms of the amalgamation the new company was to secure at least \$20,000 cash to continue drilling operations. The balance sheet of the North West Pacific Oil Company puts the value of leases and real estate at \$301,000; machinery and equipment, \$25,720.66; development account, \$225,724.56, including \$182,717.67 for underwriting agreement; and general expenses, less interest, \$44,492.81, and accounts receivable, \$1,306.92. The liabilities included capital stock issued to the amount of \$589,971.75 and sundry other liabilities of \$8,143.20. This company drilled two wells. No. 1, in Section 12-20-3, shut down at 450 feet, was sold for \$8,048.60. N. W. Pacific No. 2, Section 24-20-3, was carried to 3,725 feet when shut down, and will be continued by the new company.

The Western Pacific Oil Company's report shows a valuation of \$50,408.25 for leases; machinery and equipment, \$46,574.31; development account, \$40,536.79; and office and general expenses, less interest received, \$52,216.16. The company had \$25.65 cash in bank. The amount of paid-up stock is put at \$147,331.65; net premium on shares, less commissions, \$32,497.50; and accounts payable, \$7,157.14. The Western Pacific No. 1, in Section 31-19-2, the only well drilled, was shut down at 2,950 feet, but was reported to have a good showing of oil, though no production test was ever made. This test is also taken over and will be continued by the Midwest Oil Company.

A drastic reorganization is being forecasted by the Alberta Petroleum Consolidated Company. This company was originally capitalized at \$20,000,000 in \$1 shares, and it is proposed to reduce the par value of the shares to 5 cents each, "by cancelling the capital which has been lost or unrepresented by available assets to the extent of 95 cents per share upon each of the 13,949,734 shares issued and outstanding" and by reducing the nominal amount of the unissued shares to 5 cents. The company is an amalgamation of several boom companies, including the Herron-Elder Oil & Gas Co., Okotoka Oil Company, Alberta Petroleum Company, and several others, and it has over 23,000 stockholders. The company has two wells in the field. No. 1, formerly the Alberta Petroleum-Okotoka, in Section 1-20-3, has been shut down at 2,150 feet depth for a couple of years. No. 2, formerly the Herron-Elder well, Section 1-20-3, secured some oil production at 2,950 feet, and a new pumping outfit has just been installed and pumping has been actually started, though no production estimate has yet been given out. It is intended to make a month's systematic test of the well, and storage has been provided for a possible production of 50 barrels a day. The assets listed in the company's latest balance sheet include cash, \$3,260.92; notes, \$6,250; sundry accounts, \$4,404.10; casing and material, \$21,821.36; machinery and equipment, \$19,758.06; office equipment, \$600; development of leases, \$86,294.98.

Sweetgrass District.

In the Sweetgrass district, along the Montana boundary, the Stokes Stephens Oil Company's No. 3 well in Section 25-2-11, west of the Fourth meridian, has

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been drilling since September 25 and is reported drilling below 400 feet. The first big water flow has been passed through successfully, but in November the drillers had a lot of trouble. This is the only activity reported on the Canadian side of the boundary in this field.

The United Oils, Ltd., whose No. 3 well in the Sweetgrass field is shut down at 3,707 feet, is reported to have surrendered a number of leases, but is holding those in the Sweetgrass, where it is expected development work will be resumed. The company's latest balance sheet shows cash \$10,121.06; accounts receivable, \$805.46, and cash advanced to other oil companies amounting to about \$10,000. United No. 3 cost \$61,180.89 to drill and is reputed a large gasser, though attempts to secure a market for the gas have so far proven unsuccessful. This company also controls the Beaver well at Milk River, in the Sweetgrass district, the development expense on which amounted to \$26,572.49. This well, which was carried to 3,125 feet, has also been shut down for over a year; it is reported to have some slight oil indications.

It is reported that No. 8 well of the Northern Alberta Natural Gas Development Company, in the Viking field, near Edmonton, has secured some oil, but has not been finished. The oil in this field is of asphalt base, about 19.7 degrees Baume. The Alberta Associated Oil Fields, Ltd., of Calgary, is reported to be arranging to resume drilling its No. 4 well in Section 28-45-9, west of the fourth meridian, in this field, but no actual work will be done till next spring. Drilling on the Battle River anticline, southeast of Edmonton, where this field has been located, has been very successful in securing gas and less so in regard to oil, though the oil indications are fairly encouraging. There are two sands, of which the upper contains gas and the lower, in some places, shows oil indications.

OKLAHOMA FIELD

Cold Weather Checks Drilling.

Ten days of intensely cold weather, which the "oldest inhabitant" declares was the coldest and most disagreeable in his recollection, resulted in practically shutting down everything in the Kansas and Oklahoma oil fields. Kansas was harder hit than Oklahoma, judging from the reports from the fields of both States. In Butler county, which is Kansas' big producing county, only six completions were reported for the week and drilling operations met with an enforced stoppage because everything was frozen up. In Oklahoma, including the Healdton field, the number of completions reported was only 42 and the new production was only 3,027 barrels, much less than half of what it was the week previous. The falling off in production in the Mid-Continent last week was variously reported by those in a position to know from 40,000 barrels a day upward. One man who represents large producing and refining interests, put it as high as 70,000 barrels, but another company which keeps tab on both States says the production of Oklahoma and Kansas decreased 40,000 barrels daily.

The reports from the wells completed lack interest this week. Most of the few that came in were small and their locations of no importance. Mystery still hangs over the Red Hill Oil & Gas Co.'s test in Section 23-23-21 west, Woodward county, the owners of which claim they have a hole full of oil, but which they have shut away from the curious after giving them one peek a week or so ago. The well is owned by Woodward county men, who have boarded up the derrick, put a barricade of barbed wire around the rig and warned everyone to keep off the premises. A sample of the oil from the well has reached Tulsa, and the expert who had the sample said he would like to convince himself that the oil was born in that particular well.

The Cosden Oil & Gas Company has just completed a rank duster in Woods county, 14 miles northwest of Alva and 40 miles northeast of the Red Hill Oil & Gas Company's mystery in Woodward county. The Cosden well was drilled 3,800 feet, and it is said that it did not get a single showing. The well is on the Drake farm in Section 8-27N-16W.

Maintains Initial Production.

The Okmulgee Producing & Refining Company's well on the Huckaby farm in the southwest of the southeast of the southwest quarter of Section 25-14-11, Okmulgee county, which was drilled from a productive sand at 1,900 feet to a depth of 2,239 feet, where it encountered a richly producing sand, is showing as well now as when it began flowing over a week ago. When six feet in the sand the well flowed 218 barrels in 10 hours, and this week it was flowing at the rate of 400 barrels a day. It has not been drilled deeper. It is a rich find for company. In Section 22-14-11, in the south half of the southwest quarter, the Savoy Oil Company has abandoned its No. 1 on the J. Thompson farm at a depth of 2,370 feet.

The Englert Oil Company, on the David Smith farm, in the northwest corner of the southeast quarter of the southeast quarter of Section 3-14-15, reached the sand on Monday afternoon at 1,407 feet and the well began making a lot of gas, as the same company's first well on the same farm did a short time ago just before it came in a gusher producer. The second test found the sand at the same depth in both wells. Drilling was immediately stopped, as the owners expected a big well and began at once to prepare for it.

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GULF COAST

HOUSTON, Texas.—The Goose Creek pool is coming back in producing capacity to about where it was on November 1 last, when the field workers abandoned their jobs. That pool registered the best completion this week it has had in months. Results in the other pools were ordinary wells. In the wildcat division, one test, considered important by the talent, was abandoned in salt. A test of more than ordinary interest will be bailed during the coming week. Two more mediators are here from California to discuss the labor difficulty, and some of the men in the Goose Creek pool who had returned to work on Monday morning quit when they heard of the arrival of the conciliators. The estimated daily average of the pools increased 688 barrels over the estimate for last week.

The Humble pool led in the number of completions during the week, most of the wells being abandoned, and such as are classed as producers are small pumps. Martin & Sowden have a 50-barrel well in No. 2 Hargrave at 1,200 feet, and Long & Glass a 10-barrel pumper in No. 1 Isaacs at 1,000 feet. The producing department of The Texas Company has pulled No. 141 Hermann, an old hole, at 800 feet and No. 189 Mason at 2,320 feet, in salt. The company is building a standard rig to put No. 223 Landslide on the beam. This well was finished 10 days ago and will make high-gravity oil. The Associated Oil Company has abandoned No. 1 Echols at 600 feet and the Ohio Valley Oil Company No. 15 Echols at 915 feet. The Crown Oil & Refining Company's No. 30 Hermann is a 10-barrel pumper at 1,250 feet. The Carona Oil Company tested No. 2 Barrett at 800 feet and is now pulling the strainer to go deeper, while the Gulf Coast Oil Corporation is bailing No. 6 Cherry at 900 feet. The Empire Gas & Fuel Company finally abandoned No. 1 Bass at 3,065 feet, after trying to make a well at various depths from 2,200 feet. The Safety First Oil Company has pulled the old hole on the Morris at 2,320 feet, taken over from Cicero et al of San Antonio some time ago.

In the Goose Creek pool the Gulf Production Company deepened No. 14A Wright to 2,950 feet and it came in Thursday flowing about 5,000 barrels. The flow increased Friday to 8,000 barrels and at the close of the week the well was holding up at that rate. It is good, clean oil. On Sunday last Allison, Cheek and associates brought in No. 1 on Hog Island, about one-half mile across the water from the mainland, and it started flowing 1,500 barrels of fluid, of which 600 barrels was oil. The hole was finished around 3,285 feet, after they had been working on it for several months, with numerous shut-downs from a variety of causes. At the end of the week it was flowing about 150 barrels of oil a day. The well is important in that its location is on the eastern end of the island and half a mile from production on the mainland and bay shore, and will lead to development work in that direction. All the intervening submerged land has been filed on with the state land commissioner, but it is doubtful if permission will be given to drill where a narrow channel has been cut through for navigation. The Cheek-Allison interests are rigging for No. 2 on the island. The Simms-Sinclair interests have put No. 19 Schilling on the beam and it is making 100 barrels a day. This well has been standing at 3,031 feet for several weeks. The West Virginia Oil Company has No. 1 Wicks pumping at 2,580 feet, doing about 75 barrels a day. Over 50 rigs were running early in the week in the pool, but this number was lessened at the end of the week by some of the men walking out, due to reports that the conciliators would force the operators to grant the demands of the Field Workers' Union. The Gulf Production Company is running 22 rigs, Hamble Oil & Refining Company, five, Simms-Sinclair interests, five; Gulf Coast Oil Corporation, two; Crown Oil & Refining Company, two, the rest being divided among the Sun company, the Texas company and other interests.

The Texas Exploration Company is setting a strainer in No. 2 Masterson at Damon Mound for a test around 1,800 feet. The derrick is being rebuilt over No. 2 Masterson, which blew out late on Saturday last, throwing 500 feet of drill stem from the hole. It blew dry gas at an estimated rate of 20,000 cubic feet a day for several hours before it choked off. An effort will be made to go back into the hole.

In the Sour Lake pool, the Wyatt Oil Company has abandoned No. 1 Davis at 754 feet, an old hole in the shallow section of the pool. Six rigs are running in this pool, a start having been made last week. The town of Sour Lake has been the scene of more or less disorder, due to the strikers attacking men at work when they came from the field to the town for supplies. The military guard has been extended to the town and soldiers now patrol the streets of Sour Lake and the roads to the field, as well as guard pump stations, wells and storage tanks.

The Empire Gas & Fuel Company finished No. 1 Fuller in the Saratoga pool at 1,450 feet and is building a standard rig to put it on the beam. It will probably make a small pumper. Wherry et al have a 20-barrel pumper in No. 1 Fuller in the old Spindletop pool, completed at 856 feet. In the Edgerly pool in south Louisiana the Victory Oil Company's No. 3 Lillard is pumping about 100 barrels of fluid, with 80 per cent oil.

Six Were Abandoned.

Six wildcat tests were abandoned during the week and three are testing. Three of the abandoned holes are in south Louisiana and three in south Texas. The most interesting of these was that of the Republic Production Company's No. 2 Houston Oil Company lands, near Hull in Liberty County, the bit going into salt at 2,700 feet. This hole showed a little black, heavy oil around 2,200 feet. The first test got the salt rock around 1,400 feet, as did a previous test made southwest of Hull last year by the Hull Oil & Gas Company. The hole just abandoned was a "mystery well" for three weeks, while it was shut down and a guard placed on duty. The showing around 2,200 feet caused a rush for acreage and a consequent boom in bonuses, one company paying \$34,000 for a lease on 160 acres located nearly a mile from the test. Another company paid as high as \$375 an acre bonus for 25 acres and acreage more distant from the test brought from \$50 to \$100 an acre bonus and in some cases increased royalties. The Davids-Forrest Oil Company has pulled No. 3 McShane Lumber Company's lands, near Grafburg, Hardin county, at 3,200 feet and the Rucker Oil & Development Company has quit in No. 2 on the Bruce north of the Humble pool. Over in south Louisiana the Mermentau Mining & Mineral Company has abandoned No. 2 near Lake Arthur in the southern part of Cameron parish. The Chesapeake Oil Company quit on the Pine Ridge plantation in Calcasieu parish at 3,000 feet and the Gulf Development Company has abandoned No. 1 Hesse Oak plantation, Plaquemine parish, at 2,600 feet. The Federal Petroleum Company is testing No. 1 Hatcher, Section 28, Sabine parish, at 3,200 feet. The Reliance Oil Company is preparing to set strainer at 3,180 feet and test out 60 feet of sand in No. 1 Powell, west of La Porte in what can be called the Goose Creek territory and the Taylor Oil & Gas Company is reaming to set screen and test No. 2 Curren, near Seabrook in the southeastern end of Harris county, at 2,765 feet.

Daily Production.

The estimated daily average of the pools is placed at 74,146 barrels for the week with an estimate of 73,458 barrels for last week. The estimate for the Batson pool is 1,900 barrels; Bland, 12 barrels; Dayton, 57 barrels; Edgerly, 3,000 barrels; Goose Creek, 31,000 barrels against 26,600 barrels last week; Humble, 18,000 barrels against 21,400 barrels the week previous; Markham, 350 barrels; Jennings, 1,100 barrels; Spindletop, 950 barrels; Saratoga, 2,100 barrels; Sour Lake, 8,975 barrels; Damon Mound, 1,890 barrels, compared with an estimate of 1,985 barrels last week; Anse La Bute and Welsh, 60 barrels; New Iberia, 95 barrels; Piedras Pintas and the districts around San Antonio, 257 barrels.

The decrease in the production figures of the Humble pool was largely caused by the decline in the output of the Texas Company's No. 14 Stevenson, which had been flowing around 2,500 barrels a day since it was worked over and brought back over three weeks ago. The coastal region has been in the grip of a "norther" for the past 10 days and the cold apparently affected the well. Other wells in that pool also showed a drop in their production.

The daily average runs from the Humble pool were around 17,000 barrels a day, the Texas Pipe Line Company handling 12,000 barrels a day and the American Petroleum around 3,000 barrels. The runs from the Goose Creek pool approximated 28,000 barrels a day and from the Sour Lake pool 9,500 barrels daily. In the Vinton pool the Gulf Pipe Line Company ran an average of 2,115 barrels daily and the Texas Pipe Line Company 1,250 barrels.

LOUISIANA FIELD

SHREVEPORT, La.—Nothing but the efforts of the handful of men who happened to be in the vicinity of the fire in the Pine Island district, Monday, kept the flames from reaching The Texas Company's 10,000-barrel gusher on the Heilperin lease. Fortunately the wind was blowing away from the well, keeping the oil that lay on top of the water on the far side of the bayou, which lay between it and the fire. Back fires were started and a protecting strip 40 feet wide was burned, while the oil in the bayou was pushed back for the same distance with boards, thus keeping the fire from approaching to within 300 feet of the well. The flames frequently reached a height of forty feet, and sometimes eighty feet, and caused considerable damage to crops and property in the neighborhood.

* * * * *

The Texas Company well came in Thursday morning, December 5, at 5 o'clock, making about 6,000,000 cubic feet of gas. At 11:45 the gas pressure was not very strong and the oil flow was of ordinary size. They had finished pulling the drill stem from the hole and the men had gone to dinner, when at 1:05 the well choked off for about five minutes, after which it commenced gassing and suddenly began throwing rocks and sand from the hole.

* * * * *

The flow of oil then increased, until 4 p. m., when it was conservatively estimated that the well was making 10,000 barrels of oil. At about 5 p. m. the oil gradually diminished and the gas pressure seemingly increased, this continuing until the next day, at which time the well was making probably 35,000,000 feet of gas and about 2,000 barrels of oil and the gas production has continued at this rate up to the time of writing, with the oil production less than 1,000 barrels. The well is not yet closed in and wells which were previously completed in the neighborhood have ceased flowing and will have to be pumped. A gas separator is now being installed, after which there will be no trouble experienced in getting the well closed in and the oil run into the pipe lines.

* * * * *

The effect of the escaping gas on production in the Pine Island district is evidenced by a decrease of more than 2,000 barrels daily of heavy oil, most of which is produced in that territory. The total production of the field for the past week averaged 14,000 barrels daily, which is still fully 12,000 barrels less than the normal production of the field. Many wells were ruined from being shut down during the period of the strike, and many more will require considerable work on them before they will resume normal production.

* * * * *

TEXAS FIELD

How the Oil is Handled.

WICHITA FALLS, Texas.—An examination of the runs and shipments statements for this district for the month of November will show that, although there was a slight decrease in the total output of crude for the month, there was an increase in the daily average, on account of there being one less day than in the month of October. The total for the district was 1,049,937 barrels, or 903 barrels less than for the previous month. Of this quantity, Electra produced 482,862 barrels, Burkburnett's quota was 436,108 barrels, the output at Petrolia was 24,682 barrels, from Strawn and Ranger came 43,471 barrels, from Breckenridge and Moran 15,000 barrels, from Corsicana 24,205 barrels, and from the various wildcats in Brown, Coleman, Archer, Palo Pinto and Parker Counties 20,299 barrels more.

* * * * *

Of the production from the defined pools in Wichita, Walbarger and Clay counties the Magnolia Petroleum Company got 258,243 barrels, The Texas Company 250,740 barrels, the Gulf Petroleum Company 47,810 barrels, the Red River Oil Company 19,350 barrels, and the balance came from the smaller companies and individual producers.

* * * * *

Of the pipe-line runs, The Texas Company got 475,522 barrels, the Magnolia Petroleum Company 372,718 barrels, and the Panhandle Refining Company 102,311 barrels, the runs from the smaller fields making up a total of 1,033,227 barrels, the total shipments being 1,028,605 barrels and the stocks on hand at the first of December were 653,781 barrels.

* * * * *

The extreme cold weather, in addition to the drouth, has seriously interfered with the drilling activity in North Texas during the past week, and, although a few wells were completed in defined pools, they were holes that were already close to the sand, or else completed the latter part of last week and not reported. Progress during the week has been very light all over the territory.

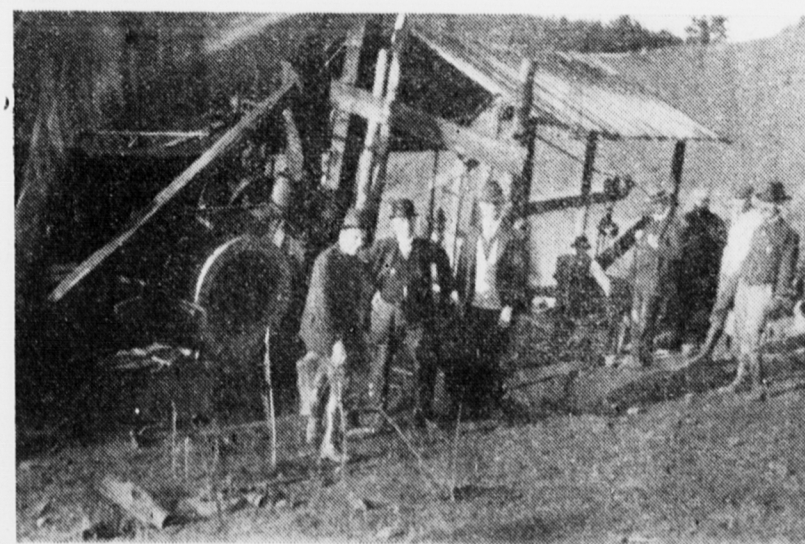
CALIFORNIA FIELD

November Field Statistics.

LOS ANGELES, Cal.—Production for the month of November of 170,406 barrels daily is but slight change from production figures for October. Shipments for November of 310,122 barrels daily are an increase of 11,040 barrels daily compared with October. A stock decrease of 1,101,400 barrels is the result of the disparity between production and shipments. An initial daily production of 8,000 barrels came from the 63 completions during the month.

Field.	Rigs.	Drg.	Comp.	Daily Prod.
Kern River	7	5		22,510
McKittrick	5	16	1	8,485
Midway-Sunset	22	95	21	97,290
Lost Hills-Belridge	4	25	10	17,345
Coalinga	15	50	11	41,007
Lampoc-Santa Maria	3	48	6	17,705
Ventura Co.-Newhall	2	45	1	3,348
Los Angeles-Salt Lake	..	..	1	3,093
Whittier-Fullerton	9	91	7	55,457
Summerland	..	..	..	155
Watsonville	..	..	..	75
Total	60	384	63	270,406

Total crude oil stocks November 30, 32,603,625 barrels.
Total shipments from fields, November, 9,303,603 barrels.



The Kenova Outfit, Drilling on Kinkad Lease. Geo. Hinton in Charge of Operations. Lee County.

99 Days, 1,188,000 Barrels, \$2,376,000.

WICHITA, Kan.—During the ninety-nine days the Gypsy Oil Company's well No. 5 on the Shumway farm, Towanda Township, has been flowing, it has produced 1,188,000 barrels of oil, worth \$2,376,000.

Shumway No. 5 was brought in on September 7 at 18,000 barrels. It gradually dropped down to about 11,000 barrels, but the flow was increased to 14,000 barrels a month ago when the tools were pulled. The well is now making between 10,000 and 11,000 barrels.

There are today nine producing wells in the Shumway quarter. The entire lease is making 20,000 barrels of oil daily. Well No. 1, which was brought in July at 4,800 barrels, is now making a little more than 1,000 barrels daily. The entire lease has produced 3,000,000 barrels of oil thus far.

It is now beginning to appear that the Eldorado and Augusta districts will eventually connect. The two pools are only four miles apart. From the northern well, in the Eldorado district, to the southern well in the Augusta deep sand district, is a distance of twenty-four miles. The Eldorado end of the Butler county field not only is producing about three times as much oil as the Augusta district, but is steadily adding greatly to its productive acreage.

Two scouts, who made the rounds of the Eldorado pool recently, reported three drilling wells in the entire field and about one-tenth of the pumps going.

One of the most promising leases in Butler county today is the Richards farm, which is the northeast quarter of section 24-26-4, being developed by H. H. Patton and others. Well No. 1 on this lease will be pumped just as soon as weather permits. It swabbed 720 barrels in twenty-four hours, and oil scouts estimate it is good for at least 600 barrels. The Ramsey Petroleum Company has just completed a well a half mile south of this on the Harmon farm. This well looks good for 300 to 400 barrels.

The Great Plains Company has completed its No. 1, Sluss, which is good for better than 200 barrels.

The Carter company's well in the Smock pool is shut down at 2,984 feet. This well had a showing of oil at 2,740 feet.

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STOCK MARKET

TABLE SHOWING MARKED IMPROVEMENT OF THE LEADING NEW YORK STOCK EXCHANGE SECURITIES DURING THE LAST WEEK.

RAILROADS.	Close Dec. 22.	High for week	Low for week	Close Dec. 28.	Net Gain.
Atch.	78	88 3/4	77 7/8	85 3/4	+ 8 3/4
B. & O.	40 1/2	57	38 3/4	53	+ 12 1/2
Can. Pac.	129 1/2	139	128 3/4	138	+ 8 1/2
C. & O.	43 3/4	51	42 1/2	50 1/2	+ 7 1/2
Gt. Nor.	81 1/2	91 3/4	80 3/4	91	+ 9 1/2
L. & N.	105	112 1/2	105	111 1/2	+ 6 1/2
N. Y. C.	63 1/2	73	63	72 3/4	+ 9 1/2
N. & W.	95 1/2	105 1/2	95	105	+ 9 1/2
Nor. Pac.	77 1/2	88 1/4	76 3/4	87 1/4	+ 9 3/4
Penn.	42	47 1/2	41 1/4	47	+ 5
Rdg.	66 1/2	74	66 1/4	72 1/2	+ 5 1/2
Sou. Pac.	73 3/4	85 1/2	77 3/4	84 3/4	+ 6 1/2
St. Paul	37 1/2	49	37 1/2	46 1/2	+ 6 1/2
Un. Pac.	103 1/2	114 1/2	101 1/4	114	+ 10 1/2
Wabash A.	37 1/2	44 1/2	37	43 1/2	+ 5 1/2
COPPERS.					
Anac.	55 1/2	59 1/2	55	58 1/2	+ 3 1/4
Butte	13	15 1/2	12 3/4	14 1/2	+ 1 1/2
Chino	38 1/4	40 1/2	37 3/4	40 1/2	+ 2 1/4
Insp.	39 1/2	44	38 3/4	43 1/2	+ 4 1/2
Kenn.	30 1/2	31 1/2	30	31 1/2	+ 1 1/4
Nevada	16 1/2	18 1/2	16 1/2	18 1/2	+ 1 1/4
Ray. Cons.	20 1/2	22	20 1/2	22	+ 1 1/2
Utah	73 1/2	79 1/2	73 1/2	78 1/4	+ 4 3/4
STEELS.					
Beth. B.	60	74 1/2	68 1/2	73 1/2	+ 4 1/2
Cru.	48	52 1/2	48	52 1/2	+ 4 1/2
Lack.	73	76 3/4	72 1/2	75 1/4	+ 2 1/4
Midvale	41 1/2	43 1/2	41	43	+ 1 1/2
R. I. & S.	74	78 1/2	74	77 3/4	+ 3 3/4
U. S. S.	83 1/2	89 1/4	83	88	+ 4 1/2
MOTORS.					
G. M. O.	93 1/4	99	93	97 1/2	+ 4 1/2
Maxwell	21 1/2	24 1/4	20 1/2	24	+ 2 1/2
Stude.	44 1/4	46	42 3/4	45	+ 3 1/4
Willy's Ovd.	17 1/2	19 1/2	17	19	+ 1 1/2
MISCELLANEOUS.					
Am. Tob.	128 1/4	138 1/2	128	137	+ 8 1/2
Am. Loco.	49	55 1/2	49	55 1/2	+ 6 1/2
Am. Car Fdy.	63 1/4	70	62 3/4	69 1/2	+ 5 1/2
Am. Smelt.	69 1/2	75 1/2	68 1/2	75 1/2	+ 6 1/2
Am. Can.	34	36 1/2	34	36	+ 2
A. T. T.	99 1/2	104 3/4	98 1/4	104	+ 4 1/2
A. G. W.	96 3/4	100 1/4	95 1/2	99 1/4	+ 2 1/2
Bal. Loco.	54 1/4	59	53 3/4	57 1/2	+ 3 1/4
Gen. Lea.	57 3/4	62	57	61 1/2	+ 3 3/4
Gen. Elec.	122 1/2	128 1/2	121	127 1/2	+ 5
Nickel	26 1/2	27 1/2	26	26 1/2	+ None
Marine	20	21	19 3/4	20 1/4	+ 1/4
Marine Pfd.	79	81 1/4	78 1/2	80 1/4	+ 1 1/4
Ind. Alcohol	110	119 1/2	109	117 1/2	+ 7 1/2
Sinclair Oil	27 3/4	29 1/2	27	29	+ 1 1/2
Texas Oil	125	135	123	134 1/4	+ 9 1/4
Westinghouse	36 1/2	39	35 3/4	38 1/2	+ 2 1/4
West. Union	79	83	78 3/4	83	+ 4



Some old-timers at No. 1 Miller-Prewitt lease. From left—Mr. Bessie, of New York, an old South Penn man; Peter Arens, contractor and old-time driller; Louis Harkless, driller; W. H. Fitzgerald, Vice-President, Petroleum Exploration Company, Inc.

Sentiment is changing for the better. The rail situation, with its favorable prospects, giving the stock market a different aspect.

I am told that Willys-Overland has \$133,000,000 worth of Government business for 1918.

The company is earning \$5.60 per share before excess profits, which are estimated at 32 cents per share.

1918 will be the biggest year in the history of the company, and stock is being quietly picked up by good people.

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Senator Kenyon said that he had seen a letter addressed to a member of the Senate stating that Ohio Mayors stole coal during the cold snap.

"I think it is very proper, when a man's family is cold," was Senator Kenyon's comment.

"It is a lawless procedure, nevertheless," Dr. Garfield said.

"I could not understand," Senator Kenyon continued, "why the situation in Ohio should be worse than in other states."

"I think the psychology of it explains it," Dr. Garfield replied.

Hopes to Control Supplies.

Pooling the output of the United States would not meet the situation, according to Dr. Garfield. He declared that he was attempting to control the supplies through 20 local distribution districts which he has established.

Deputy Distributors have been appointed for these districts, and they will use the coal production of their districts to supply the local needs first and then the foreign needs.

Dr. Garfield was on the stand the entire day.

L. A. Snead, in charge of distribution for the Fuel Administration, will also testify.

TICKER NEWS

The Leading express companies have reported the largest Christmas business ever done in their history and on the strength of this news the purchase of their stocks should prove profitable.

There is considerable bit of talk of the government taking similar action on the coal properties that have been taken in railroads and should such actions be taken the anthracite shares should rise five to twenty dollars per share. The leaders in this class should be Pittsburgh coal, Elkhorn fuel, etc.

Brokers in New York are reporting to their correspondents of the extreme tightness of money and state that the probable money rates for the coming month will range between six and seven per cent. Their reason for this advance, they state, is the unusual war period. Many houses on the street have been accepting buying orders only on the basis of full cash payment.

A prominent New York banker is reported as saying that in regard to rails, the government control is construed most constructive, and is considered the best news we have had in many a day and should spell betterment all around, especially on equipment stocks.

The railroad employees brotherhood have agreed to stand solidly behind President Wilson and the government in an effort to make successful federal operation of the railroad lines.

Mr. Hemphill, chairman of the Board of the Guarantee Trust Company, says, relative to the President's action: "I consider this the greatest constructive thing that has ever happened in years for the country's interest; the Nation voices approval of President Wilson's control of the rail lines."

The Central Powers' general peace parley proposals reported in these times will be considered good in some quarters and should cause marked improvement in securities.

It is reported from Petrograd that the Russians have given Germans forty-eight hours in which to accept or reject the Russian peace proposal.

The sinking of twelve British ships by U-boats in the last week is compared with seventeen the previous week.

Senate investigators demand that Secretary Baker cut out the red tape and equip the army immediately.

It has been reported that commencing December 28th, the commission rates on Liberty Bonds will be as follows: \$100.00 to \$500.00, \$1.00 minimum; \$500.00 to \$2,000.00, \$1.65 minimum; over \$2,000.00, one-sixteenth.

OKLAHOMA PRODUCING AND REFINING COMPANY.

This property also is considered in the minds of well posted oil men to prove to be quite profitable around present quotations.

The Oklahoma Producing & Refining Company and the Osage-Hominy Company have just completed a deal in which they have exchanged share for share, and the two stocks are known today as the Oklahoma Producing & Refining Company, which has only one class of stock, viz., capital stock. The writer had a personal interview with J. M. Crawford, their field manager, in regard to this property and it is hardly possible to explain in words his enthusiasm over their present outlook. This company is now enjoying its largest year in business and with their present production will easily justify an increase in dividends and reasonable profits.

Southeastern Ohio.

The Buckeye fields had no completions to offer at the close of the week. When the weather moderates, the shallow-sand districts are expected to show an increase in development work. The last advance in the market has encouraged operators to try for a little more production. Light wells are the best hoped for, but so long as they can be had development work will continue.

(Continued from Page One, Column One)

*Values are in error; total percentage products add above 100.

During the last two years, of all the gasoline sold, 12 per cent., or roughly one-eighth, was cracked gasoline. Table 5 tabulates the percentages of straight-run and cracked gasoline.

In the production of gasoline the following table is an approximation of the barrelage of cracked gasoline over the past five years:

Table No. 3.

CRACKED GASOLINE MARKETED OVER FIVE-YEAR PERIOD.

1913	1,000,000 barrels.
1914	3,000,000 barrels.
1915	4,000,000 barrels.
1916	6,000,000 barrels.
1917	7,000,000 barrels.

From Tables 1 and 3 the following percentage yield in Table 4 of straight-run and cracked gasoline upon the basis of total crude oil distilled is shown:

Table No. 4.

PERCENTAGE OF STRAIGHT-RUN AND CRACKED GASOLINE ON BASIS OF TOTAL CRUDE REFINED.

	Full year 1916.	First 6 Mos. 1917.
Straight-run gasoline	17.47 per cent.	17.89 per cent.
Cracked gasoline	2.43 per cent.	2.44 per cent.

Table No. 5.

PERCENTAGE OF STRAIGHT-RUN AND CRACKED GASOLINE ON BASIS OF TOTAL GASOLINE MARKETED.

	Full year 1916.	First 6 Mos. 1917.
Straight-run gasoline	87.76 per cent.	87.98 per cent.
Cracked gasoline	12.24 per cent.	12.02 per cent.

From Table 2 it is clear that by combining the per cents. of kerosene, gas and fuel oil we will have a maximum of 57 per cent. of available oil for cracking purposes. It is certain that all of the 57 per cent. of combined kerosene, gas and fuel oil is not suitable for conversion to gasoline. In other words, all types of oils will not produce gasoline economically, due to high carbon formation.

And furthermore, it is well within the facts to state that not more than 60 per cent. as an average of marketable gasoline can be made as a commercial proposition from the cracking of the 57 per cent. of available kerosene, gas and fuel oil resulting from the crude oil.

But it is advisable to calculate upon cracking all of the 57 per cent. of kerosene, gas and fuel oils into gasoline? Would it not leave a tremendous shortage in fuel oil for industrial uses and our navy? Would it not leave a tremendous shortage in gas manufactured for lighting and heating?

To convert our kerosene, gas and fuel oils into gasoline would also cut down our toluol supply by at least a million gallons, or a loss of 14,000,000 pounds of our most important explosive, trinitrotoluol.

Is the solution of increased quantities of motor fuel a question solely of cracking petroleum oil? Or is it a question in part of radical motor design changes or motor fuel, such as alcohol? Or may it be necessary to curtail all motor-car movements to war purposes only? Are we awake nationally to the exigencies of the motor fuel need in our present war?